

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 South Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile
Attorneys for Plaintiff and the Class

WILLIAM L. MARDER, ESQ. (CBN 170131)
Polaris Law Group LLP
501 San Benito Street, Suite 200
Hollister, CA 95023
Tel: (831) 531-4214
Fax: (831) 634-0333
Email: bill@polarislawgroup.com

Dennis S. Hyun (State Bar No. 224240)
dhyun@hyunlegal.com
HYUN LEGAL, APC
515 South Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,
Defendants.

Case No. 5:16-cv-333 EJD

**PLAINTIFF'S COMPENDIUM OF
EVIDENCE IN SUPPORT OF HIS MOTION
FOR CLASS CERTIFICATION**

Date: TBD
Time: TBD
Courtroom: 4, 5th Floor
Judge: Hon. Edward J. Davila

Plaintiff Ser Lao ("Plaintiff") hereby submits the following evidence in support of his
Motion for Class Certification:

Exhibit 1: Defendant's Responses to Plaintiff's First Set of Interrogatories, served on July 18, 2016

Exhibit 2: Defendant's Supplemental Responses to Plaintiff's First Set of Interrogatories, served on August 29, 2016

Exhibit 3: Relevant portions of the transcript of the deposition of Ser Lao, taken on September 12, 2016

Exhibit 4: Relevant portions of the transcript and exhibits to the deposition of Corey May, taken on November 1, 2016. Mr. May was designated as Defendant's FRCP 30(b)(6) witness for topics related to Defendant's policies and procedures regarding personal property inspections and/or security screenings, meal and rest periods, recording of hours worked, and the payment of wages to non-exempt employees, including payment of premium wages for missed meal and/or rest periods, and time spent undergoing personal property inspections and/or security screenings.

Deposition Exhibit 104: Your Support Book, California Edition

Deposition Exhibit 105: H&M Policy Book, effective January 1, 2011

Deposition Exhibit 106: H&M Employee Handbook, effective November 2014

Deposition Exhibit 107: H&M Employee Handbook, effective November 2013

Deposition Exhibit 108: H&M Employee Handbook, effective January 2012)

Deposition Exhibit 109: H&M Employee Handbook, effective January 2013

Deposition Exhibit 110: H&M Policy Book, updated December 2015

Exhibit 5: Relevant portions of the transcript of the deposition of Naomi Fritt, taken on November 1, 2016. Ms. Fritt was designated as Defendant's FRCP 30(b)(6)

witness for topics related to the security camera systems in Defendant's locations and the storage of video footage.

Exhibit 6: Relevant portions of the transcript and exhibits to the deposition of Monica Frank, taken on November 18, 2016. Ms. Frank was designated as Defendant's FRCP 30(b)(6) witness related to Defendant's policies and procedures regarding the calculation and payment of bonuses paid to non-exempt California employees, and the inclusion of non-discretionary incentive pay and/or bonuses into the regular rate.

Deposition Exhibit 135: 2013 H&M U.S. Sales Bonus Provisions

Deposition Exhibit 136: Bonus, 2013, Hourly Store Staff

Deposition Exhibit 137: 2013 Bonus Store Management Team

Deposition Exhibit 138: 2013 Bonus Store Managers

Deposition Exhibit 139: Management Coach Guidelines

Deposition Exhibit 140: Plaintiff's wage statements

Exhibit 7: Relevant portions of the transcript and exhibits to the deposition of Cindy Bernabe, taken on November 18, 2016. Ms. Bernabe was designated as Defendant's FRCP 30(b)(6) witness for topics related to Defendant's policies, practices and procedures related to the payment of wages, including the final payment of wages, and its payroll and timekeeping systems.

Deposition Exhibit 123: Manager's Policy Guide, effective January 1, 2011

Exhibit 8: Declaration of Ser Lao

Exhibit 9: Declaration of Deshanay Harris

Exhibit 10: Declaration of Shawn'Nel Brown

Exhibit 11: Declaration of Wayne Santos

Exhibit 12: Declaration of Ian Mitchinson

Exhibit 13: Declaration of Malik Richardson

Exhibit 14: Declaration of Charlotte O'Connor

Exhibit 15: Declaration of Lily Llagas

Exhibit 16: Declaration of Alexander Martinez

Exhibit 17: Declaration of Duarte Souza

Dated: June 22, 2017

DIVERSITY LAW GROUP, P.C.

By: /s/ Larry W. Lee

LARRY W. LEE

KRISTEN M. AGNEW

Attorneys for Plaintiff and the Class

EXHIBIT 1

MANATT, PHELPS & PHILLIPS, LLP
 ROBERT H. PLATT (Bar No. CA 108533)
 Email: rplatt@manatt.com
 ANDREW L. SATENBERG (Bar No. CA 174840)
 Email: asatenberg@manatt.com
 EVE L. TORRES (Bar No. CA 303651)
 Email: eltorress@manatt.com
 11355 West Olympic Boulevard
 Los Angeles, CA 90064-1614
 Telephone: (310) 312-4000
 Facsimile: (310) 312-4224

Attorneys for Defendant
 H & M HENNES & MAURITZ, L.P.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
 of all other similarly situated,

Plaintiff,

vs.

H & M HENNES & MAURITZ, L.P., a
 New York limited partnership; and DOES
 1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

**DEFENDANT H & M HENNES &
 MAURITZ, L.P.'S RESPONSE TO
 PLAINTIFF'S FIRST SET OF
 INTERROGATORIES TO
 DEFENDANT**

PROPOUNDING PARTY: PLAINTIFF SER LAO

RESPONDING PARTIES: DEFENDANT H & M HENNES & MAURITZ, L.P.

SET NUMBER: ONE

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure
 ("FRCP"), Defendant H & M Hennes & Mauritz, L.P. ("Defendant") submits the
 following objections and responses to the First Set of Special Interrogatories (the
 "Interrogatories") propounded by Plaintiff Ser Lao ("Plaintiff").

PRELIMINARY STATEMENT AND GENERAL OBJECTIONS

1 Defendant incorporates the following Preliminary Statement and General
2 Objections into each of its responses herein:

3 1. Defendant's responses to the Interrogatories are made solely for the
4 purposes of, and in relation to, the above-captioned action.

5 2. Defendant submits its responses to the Interrogatories subject to all
6 objections ordinarily available if such statements were offered into evidence in a
7 judicial proceeding. All such objections (including, but not limited to, all
8 objections concerning competency, relevancy, materiality, propriety, authenticity
9 and admissibility) are hereby expressly reserved and may be interposed at the time
10 of trial or at any other time. No response or objection to any interrogatory herein is
11 intended to be, nor shall any response be construed as, a waiver by Defendant of all
12 or any part of any objection to any interrogatory, an admission of the existence of
13 any facts set forth in or assumed by any interrogatory, or an admission that such
14 response or objection constitutes admissible evidence.

15 3. Defendant's research, discovery and preparation for trial in this matter
16 are presently ongoing and are not yet complete. Defendant's responses to the
17 Interrogatories are based upon the current state of Defendant's pretrial preparation
18 and the information which is presently known to it based upon the investigation it
19 has conducted to date. Defendant anticipates that its continuing discovery and
20 investigation will reveal information not presently known to Defendant, or
21 information the significance of which is not presently known, upon which
22 Defendant may rely at trial. Accordingly, although Defendant assumes no
23 obligation to voluntarily supplement or amend these responses to reflect
24 information, evidence, documents, or things discovered following service of these
25 responses, such responses are made without prejudice to Defendant's right to
26 produce additional information at a later date and to introduce such information at
27 the time of trial. Furthermore, these responses are prepared based on Defendant's
28

1 good faith interpretation and understanding of each interrogatory, and are subject to
2 correction for inadvertent errors, if any.

3 4. Defendant objects to the Interrogatories to the extent that Plaintiff
4 seeks information protected from disclosure by the attorney-client privilege, the
5 attorney work-product doctrine, or any other privilege or immunity. The
6 inadvertent production of such information shall not constitute a waiver of any
7 privilege or a waiver of any rights Defendant may have to object to the use of any
8 such information in subsequent pretrial proceedings or at trial.

9 5. Defendant objects to the Interrogatories on the ground and to the
10 extent that they improperly call for Defendant to divulge its (or its attorneys') legal
11 theories, contentions, conclusions, reasoning, impressions, or opinions in this case.

12 6. Defendant objects to the Interrogatories to the extent that they call for
13 the premature disclosure of expert witness information.

14 7. Defendant objects to the Interrogatories to the extent that they call for
15 private and/or confidential business, financial, proprietary, trade secret, or other
16 sensitive information, the disclosure of which would damage or harm Defendant, its
17 customers, or related persons or entities.

18 8. Defendant objects to the Interrogatories to the extent that Plaintiff
19 seeks the disclosure of information that is protected by Defendant's or third parties'
20 right to privacy.

21 9. Defendant objects to the Interrogatories to the extent that they are
22 overbroad, are not reasonably limited in time, scope, or subject matter, or seek the
23 production of information that is neither relevant to the subject matter of this
24 litigation nor reasonably calculated to lead to the discovery of admissible evidence.

25 10. Defendant objects to the Interrogatories to the extent that they are
26 vague and ambiguous such that a specific term or phrase creates confusion in the
27 context of the issues involved in this litigation.

28

11. Defendant objects to the Interrogatories to the extent that they are burdensome and oppressive, or compliance with specific interrogatories would be unreasonably difficult or expensive.

12. Defendant objects to the Interrogatories to the extent that Plaintiff seeks information that is equally available to Plaintiff or already in his possession, custody, or control.

Subject to these general objections and the specific objections set forth below, Defendant provides the following responses in accordance with its obligations under the FRCP.

Pursuant to Federal Rule of Civil Procedure 33, Defendant H & M Hermes & Mauritz, L.P. is required to respond to the following Interrogatories, under oath and in writing, within 30 days of service of the Interrogatories.

RESPONSE TO INTERROGATORIES:

INTERROGATORY NO. 1:

Please IDENTIFY all non-exempt employees who have been employed at any retail stores owned or operated by YOU in the State of California at any time during the RELEVANT TIME PERIOD. (For purposes of these Interrogatories, "IDENTIFY" means stating the name and the last known address and telephone numbers. "YOU," "YOUR" and "DEFENDANT" shall refer to Defendant H & M Hennes & Mauritz, L.P. "RELEVANT TIME PERIOD" shall refer to the time period from December 11, 2011, through the present.).

RESPONSE TO INTERROGATORY NO. 1:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this

Interrogatory to the extent it seeks information and/or documents regarding other employees which are protected under the privacy laws of the United States and the State of California. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

INTERROGATORY NO. 2:

For each of the retail stores owned or operated by DEFENDANT in the State of California, please state the number of persons YOU have employed in California as non-exempt employees at any time during the RELEVANT TIME PERIOD.

RESPONSE TO INTERROGATORY NO. 2:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the ground that, among other things, it is vague and ambiguous with respect to the phrase “at any time during the RELEVANT TIME PERIOD.” Defendant objects to this Interrogatory on the grounds that it is overly broad in time and scope. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

INTERROGATORY NO. 3:

State the number of all non-exempt retail store employees employed by YOU and who received any bonuses from YOU at any time during the RELEVANT TIME PERIOD in the State of California, including without limitation, profitability bonuses, quarterly profitability bonuses and/or monthly profitability bonuses.

RESPONSE TO INTERROGATORY NO. 3:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this

litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this Interrogatory to the extent it seeks information and/or documents regarding other employees which are protected under the privacy laws of the United States and the State of California. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

INTERROGATORY NO. 4:

For the individuals identified in response to Interrogatory No. 3, state the number of individuals who were paid overtime during the same pay period that he/she earned any bonuses at any time during the RELEVANT TIME PERIOD in the State of California.

RESPONSE TO INTERROGATORY NO. 4:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this Interrogatory to the extent it seeks information and/or documents regarding other employees which are protected under the privacy laws of the United States and the State of California. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

INTERROGATORY NO. 5:

For each of the retail stores owned or operated by DEFENDANT in the State of California, please state the number of persons whose employment ended at any time between December 11, 2012, through the present, whether voluntarily or involuntarily.

RESPONSE TO INTERROGATORY NO. 5:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

Subject to and without waiving the foregoing objections, Defendant responds as follows: Approximately 4,383.

INTERROGATORY NO. 6:

For the individuals identified in response to Interrogatory No. 5, please state the number of individuals who received their final pay through electronic cards, including without limitation, automatic teller machine or ATM cards, gift cards, and Money Network Cards.

RESPONSE TO INTERROGATORY NO. 6:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this Interrogatory to the extent it seeks information and/or documents regarding other employees which are protected under the privacy laws of the United States and the State of California. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

Subject to and without waiving the foregoing objections, Defendant responds as follows: Approximately 1,194.

INTERROGATORY NO. 7:

For the individuals identified in response to Interrogatory No. 5, please state the number of individuals who received their final pay through electronic cards, including without limitation, automatic teller machine or ATM cards, gift cards, and Money Network Cards, but did not specifically elect or authorize in writing to receive their wages via such electronic card.

RESPONSE TO INTERROGATORY NO. 7:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the grounds that it is overly broad in scope. Defendant also objects to this Interrogatory to the extent it seeks information and/or documents regarding other employees which are protected under the privacy laws of the United States and the State of California. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing.

INTERROGATORY NO. 8:

Please identify the entity(ies) with whom YOU contracted with to issue payment of wages to YOUR California employees in the form of electronic cards, including without limitation, automatic teller machine or ATM cards, gift cards, and Money Network Cards during the RELEVANT TIME PERIOD.

RESPONSE TO INTERROGATORY NO. 8:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this interrogatory to

1 the extent it seeks confidential and proprietary information as to Defendant's
2 business practices.

3 Subject to and without waiving the foregoing objections, Defendant responds
4 as follows: Automatic Data Processing, Inc..

5
6 Dated: July 18, 2016

MANATT, PHELPS & PHILLIPS, LLP
Robert H. Platt
Andrew L. Satenberg
Eve L. Torres

7
8
9 By: /s/: Eve L. Torres
10 Eve L. Torres
11 *Attorneys for Defendant*
12 H & M HENNES & MAURITZ,
13 L.P.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Tarry, Sharron

From: Leung, Jade
Sent: Friday, July 15, 2016 11:56 AM
To: Tarry, Sharron
Subject: My Case Transition List

Hi Sharron,

I thought it might be useful for you to have a list of my cases and the associate who is handling each case while I'm out on leave:

C-M #	Case name	Partner	Associate	Associate phone
42204-064	Tawa/Lin Dai	Andrew Satenberg	Eric Chen	(310) 312-4167
23030-111	Del Taco/Gossette & Tafoya	Andrew Satenberg	Cherise Latortue	(714) 371-2503
23030-124	Del Taco/Chavez	Andrew Satenberg	Cherise Latortue	(714) 371-2503
23030-126	Del Taco/Ramirez	Andrew Satenberg	Cherise Latortue	(714) 371-2503
23030-128	Del Taco/Villescas	Andrew Satenberg	Cherise Latortue	(714) 371-2503
23030-131	Del Taco/Torrez	Andrew Satenberg	Cherise Latortue	(714) 371-2503
48906-060	Bel Air/Miller	Bob Platt	Alison White	(310) 312-4135
48806-060	Australian Fashion Labels/Lebel	Sharon Bauman	Cherise Latortue	(714) 371-2503
62177-030	Julian Reis/Rahayu Samsudin	Rebecca Torrey	N/A	
P0549-060	Alpine Tutoring EDD Audit	Rebecca Torrey	Eve Torres	(310) 312-4226
P0050-001	Pacific Hills School General Employment Advice	Stan Levy	N/A	
P0584-060	Georgia Araujo Restraining Order	Ron Turovsky	Gina Gribow	(310) 312-4118
P0365-030	ONE National Archive General Employment Advice	I don't anticipate additional work to come up, but if it does, I'll handle it		
62654-030	Japanese American Citizens League (JACL)	I don't anticipate additional work to come up, but if it does, I'll handle it		

Jade Leung
Associate

Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd
Los Angeles, CA 90064
D (310) 312-4114 F (310) 914-5707

JLeung@manatt.com
manatt.com

CONFIDENTIALITY NOTICE: This e-mail transmission, and any documents, files or previous e-mail messages attached to it, may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this message is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify us by reply email and destroy the original transmission and its attachments without reading them or saving them to disk. Thank you.

PROOF OF SERVICE

I, Sharron Tarry, declare as follows:

I am employed in Los Angeles County, Los Angeles, California. I am over the age of eighteen years and not a party to this action. My business address is MANATT, PHELPS & PHILLIPS, LLP, 11355 West Olympic Boulevard, Los Angeles, California 90064-1614. On July 18, 2016, I served the within:

**DEFENDANT H&M HENNES & MAURITZ, L.P.'S RESPONSE TO
PLAINTIFF'S FIRST SET OF INTERROGATORIES TO DEFENDANT**

on the interested parties in this action addressed as follows:

Larry W. Lee lwlee@diversitylaw.com Nicholas Rosenthal nrosenthal@diversitylaw.com DIVERSITY LAW GROUP, P.C. 515 S. Figueroa St., Suite 1250 Los Angeles, CA 90071 T: (213) 488-6555 F: (213) 488-6554	WILLIAM L. MARDER, ESQ. Polaris Law Group LLP 501 San Benito Street Suite 200 Hollister, CA 95023 T: (831) 531-4214 F: (831) 634-0333 bill@polarislawgroup.com	Dennis S. Hyun HYUN LEGAL, APC 515 S. Figueroa St., Suite 1250 Los Angeles, CA 90071 T: (213) 488-6555 F: (213) 488-6554 dhyun@hyunlegal.com
---	---	---

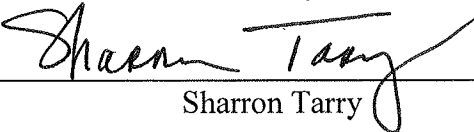


(BY OVERNIGHT MAIL) By placing such document(s) in a sealed envelope, for collection and overnight mailing at Manatt, Phelps & Phillips, LLP, Los Angeles, California following ordinary business practice. I am readily familiar with the practice at Manatt, Phelps & Phillips, LLP for collection and processing of overnight service mailing, said practice being that in the ordinary course of business, correspondence is deposited with the overnight messenger service, FedEx Express, for delivery as addressed.



(BY ELECTRONIC MAIL) By transmitting such document(s) electronically from e-mail address, starry@manatt.com at Manatt, Phelps & Phillips, LLP, Los Angeles, California, to the person(s) at the electronic mail addresses listed above. The transmission was reported as complete and without error.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on July 18, 2016, at Los Angeles, California.


 Sharron Tarry

317296684.1

EXHIBIT 2

MANATT, PHELPS & PHILLIPS, LLP
 ROBERT H. PLATT (Bar No. CA 108533)
 Email: rplatt@manatt.com
 ANDREW L. SATENBERG (Bar No. CA 174840)
 Email: asatenberg@manatt.com
 EVE L. TORRES (Bar No. CA 303651)
 Email: eltorress@manatt.com
 11355 West Olympic Boulevard
 Los Angeles, CA 90064-1614
 Telephone: (310) 312-4000
 Facsimile: (310) 312-4224

Attorneys for Defendant
 H & M HENNES & MAURITZ, L.P.

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
 of all other similarly situated,

Plaintiff,

vs.

H & M HENNES & MAURITZ, L.P., a
 New York limited partnership; and DOES
 1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

**DEFENDANT H & M HENNES &
 MAURITZ, L.P.'S
 SUPPLEMENTAL RESPONSE TO
 PLAINTIFF'S FIRST SET OF
 INTERROGATORIES TO
 DEFENDANT**

PROPOUNDING PARTY: PLAINTIFF SER LAO

RESPONDING PARTIES: DEFENDANT H & M HENNES & MAURITZ, L.P.

SET NUMBER: ONE

Pursuant to Rule 33 of the Federal Rules of Civil Procedure ("FRCP"),
 Defendant H & M Hennes & Mauritz, L.P. ("Defendant") hereby submits its
 supplemental responses and objections to the First Set of Special Interrogatories
 (the "Interrogatories") propounded by Plaintiff Ser Lao ("Plaintiff").

PRELIMINARY STATEMENT AND GENERAL OBJECTIONS

1 Defendant incorporates the following Preliminary Statement and General
2 Objections into each of its responses herein:

3 1. Defendant's responses to the Interrogatories are made solely for the
4 purposes of, and in relation to, the above-captioned action.

5 2. Defendant submits its responses to the Interrogatories subject to all
6 objections ordinarily available if such statements were offered into evidence in a
7 judicial proceeding. All such objections (including, but not limited to, all
8 objections concerning competency, relevancy, materiality, propriety, authenticity
9 and admissibility) are hereby expressly reserved and may be interposed at the time
10 of trial or at any other time. No response or objection to any interrogatory herein is
11 intended to be, nor shall any response be construed as, a waiver by Defendant of all
12 or any part of any objection to any interrogatory, an admission of the existence of
13 any facts set forth in or assumed by any interrogatory, or an admission that such
14 response or objection constitutes admissible evidence.

15 3. Defendant's research, discovery and preparation for trial in this matter
16 are presently ongoing and are not yet complete. Defendant's responses to the
17 Interrogatories are based upon the current state of Defendant's pretrial preparation
18 and the information which is presently known to it based upon the investigation it
19 has conducted to date. Defendant anticipates that its continuing discovery and
20 investigation will reveal information not presently known to Defendant, or
21 information the significance of which is not presently known, upon which
22 Defendant may rely at trial. Accordingly, although Defendant assumes no
23 obligation to voluntarily supplement or amend these responses to reflect
24 information, evidence, documents, or things discovered following service of these
25 responses, such responses are made without prejudice to Defendant's right to
26 produce additional information at a later date and to introduce such information at
27 the time of trial. Furthermore, these responses are prepared based on Defendant's
28

1 good faith interpretation and understanding of each interrogatory, and are subject to
2 correction for inadvertent errors, if any.

3 4. Defendant objects to the Interrogatories to the extent that Plaintiff
4 seeks information protected from disclosure by the attorney-client privilege, the
5 attorney work-product doctrine, or any other privilege or immunity. The
6 inadvertent production of such information shall not constitute a waiver of any
7 privilege or a waiver of any rights Defendant may have to object to the use of any
8 such information in subsequent pretrial proceedings or at trial.

9 5. Defendant objects to the Interrogatories on the ground and to the
10 extent that they improperly call for Defendant to divulge its (or its attorneys') legal
11 theories, contentions, conclusions, reasoning, impressions, or opinions in this case.

12 6. Defendant objects to the Interrogatories to the extent that they call for
13 the premature disclosure of expert witness information.

14 7. Defendant objects to the Interrogatories to the extent that they call for
15 private and/or confidential business, financial, proprietary, trade secret, or other
16 sensitive information, the disclosure of which would damage or harm Defendant, its
17 customers, or related persons or entities.

18 8. Defendant objects to the Interrogatories to the extent that Plaintiff
19 seeks the disclosure of information that is protected by Defendant's or third parties'
20 right to privacy.

21 9. Defendant objects to the Interrogatories to the extent that they are
22 overbroad, are not reasonably limited in time, scope, or subject matter, or seek the
23 production of information that is neither relevant to the subject matter of this
24 litigation nor reasonably calculated to lead to the discovery of admissible evidence.

25 10. Defendant objects to the Interrogatories to the extent that they are
26 vague and ambiguous such that a specific term or phrase creates confusion in the
27 context of the issues involved in this litigation.

28

11. Defendant objects to the Interrogatories to the extent that they are burdensome and oppressive, or compliance with specific interrogatories would be unreasonably difficult or expensive.

12. Defendant objects to the Interrogatories to the extent that Plaintiff seeks information that is equally available to Plaintiff or already in his possession, custody, or control.

Subject to these general objections and the specific objections set forth below, Defendant provides the following responses in accordance with its obligations under the FRCP.

Pursuant to Federal Rule of Civil Procedure 33, Defendant H & M Hermes & Mauritz, L.P. is required to respond to the following Interrogatories, under oath and in writing, within 30 days of service of the Interrogatories.

SUPPLEMENTAL RESPONSES TO INTERROGATORIES:
INTERROGATORY NO. 2:

For each of the retail stores owned or operated by DEFENDANT in the State of California, please state the number of persons YOU have employed in California as non-exempt employees at any time during the RELEVANT TIME PERIOD.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 2:

Defendant hereby incorporates each of its General Objections and its Preliminary Statement set forth above. Defendant also objects to this Interrogatory on the grounds that it seeks information neither relevant to the subject matter of this litigation at this stage of the proceedings nor reasonably calculated to lead to the discovery of admissible evidence. Defendant further objects to this Interrogatory on the ground that, among other things, it is vague and ambiguous with respect to the phrase “at any time during the RELEVANT TIME PERIOD.” Defendant objects to this Interrogatory on the grounds that it is overly broad in time and scope. Defendant also objects to this Interrogatory on the grounds that it is overbroad, burdensome and harassing. Subject to and without waiving the foregoing

1 objections, Defendant responds as follows:

2 Approximately 10,860.

3 **INTERROGATORY NO. 3:**

4 State the number of all non-exempt retail store employees employed by YOU
5 and who received any bonuses from YOU at any time during the RELEVANT
6 TIME PERIOD in the State of California, including without limitation, profitability
7 bonuses, quarterly profitability bonuses and/or monthly profitability bonuses.

8 **SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 3:**

9 Defendant hereby incorporates each of its General Objections and its
10 Preliminary Statement set forth above. Defendant also objects to this Interrogatory
11 on the grounds that it seeks information neither relevant to the subject matter of this
12 litigation at this stage of the proceedings nor reasonably calculated to lead to the
13 discovery of admissible evidence. Defendant further objects to this Interrogatory
14 on the grounds that it is overly broad in scope. Defendant also objects to this
15 Interrogatory to the extent it seeks information and/or documents regarding other
16 employees which are protected under the privacy laws of the United States and the
17 State of California. Defendant also objects to this Interrogatory on the grounds that
18 it is overbroad, burdensome and harassing. Subject to and without waiving the
19 foregoing objections, Defendant responds as follows:

20 Approximately 3,939.

21 **INTERROGATORY NO. 4:**

22 For the individuals identified in response to Interrogatory No. 3, state the
23 number of individuals who were paid overtime during the same pay period that
24 he/she earned any bonuses at any time during the RELEVANT TIME PERIOD in
25 the State of California.

26 **SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 4:**

27 Defendant hereby incorporates each of its General Objections and its
28 Preliminary Statement set forth above. Defendant also objects to this Interrogatory

1 on the grounds that it seeks information neither relevant to the subject matter of this
2 litigation at this stage of the proceedings nor reasonably calculated to lead to the
3 discovery of admissible evidence. Defendant further objects to this Interrogatory
4 on the grounds that it is overly broad in scope. Defendant also objects to this
5 Interrogatory to the extent it seeks information and/or documents regarding other
6 employees which are protected under the privacy laws of the United States and the
7 State of California. Defendant also objects to this Interrogatory on the grounds that
8 it is overbroad, burdensome and harassing. Subject to and without waiving the
9 foregoing objections, Defendant responds as follows:

10 Approximately 3,325 of those individuals identified in response to
11 Interrogatory No. 3, were paid overtime during the same bonus cycle that he or she
12 earned a bonus.

13 Dated: August 29, 2016

MANATT, PHELPS & PHILLIPS, LLP
Robert H. Platt
Andrew L. Satenberg
Eve L. Torres

14
15
16
17 By: /s/: Eve L. Torres
Eve L. Torres
Attorneys for Defendant
H & M HENNES & MAURITZ,
L.P.
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

I, Sharron Tarry, declare as follows:

I am employed in Los Angeles County, Los Angeles, California. I am over the age of eighteen years and not a party to this action. My business address is MANATT, PHELPS & PHILLIPS, LLP, 11355 West Olympic Boulevard, Los Angeles, California 90064-1614. On August 29, 2016, I served the within:

**DEFENDANT H & M HENNES & MAURITZ, L.P.'S
SUPPLEMENTAL RESPONSE TO PLAINTIFF'S FIRST SET OF
INTERROGATORIES TO DEFENDANT**

on the interested parties in this action addressed as follows:

Larry W. Lee lwlee@diversitylaw.com Nicholas Rosenthal nrosenthal@diversitylaw.com DIVERSITY LAW GROUP, P.C. 515 S. Figueroa St., Suite 1250 Los Angeles, CA 90071 T: (213) 488-6555 F: (213) 488-6554	WILLIAM L. MARDER, ESQ. Polaris Law Group LLP 501 San Benito Street Suite 200 Hollister, CA 95023 T: (831) 531-4214 F: (831) 634-0333 bill@polarislawgroup.com	Dennis S. Hyun HYUN LEGAL, APC 515 S. Figueroa St., Suite 1250 Los Angeles, CA 90071 T: (213) 488-6555 F: (213) 488-6554 dhyun@hyunlegal.com
---	---	---

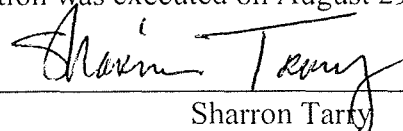


(BY OVERNIGHT MAIL) By placing such document(s) in a sealed envelope, for collection and overnight mailing at Manatt, Phelps & Phillips, LLP, Los Angeles, California following ordinary business practice. I am readily familiar with the practice at Manatt, Phelps & Phillips, LLP for collection and processing of overnight service mailing, said practice being that in the ordinary course of business, correspondence is deposited with the overnight messenger service, FedEx Express, for delivery as addressed.



(BY ELECTRONIC MAIL) By transmitting such document(s) electronically from e-mail address, starry@manatt.com at Manatt, Phelps & Phillips, LLP, Los Angeles, California, to the person(s) at the electronic mail addresses listed above. The transmission was reported as complete and without error.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on August 29, 2016, at Los Angeles, California.


Sharron Tarry

317523612.1

EXHIBIT 3

SER LAO - 09/12/2016

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual)
and on behalf of all other)
similarly situated,)
Plaintiffs,)
vs.)
H&M HENNES & MAURITZ, LLP,)
a New York limited)
partnership; and DOES 1)
through 50, inclusive,)
Defendants.)

CASE NO.: 16-CV-00333-EJD

DEPOSITION OF SER LAO

The following deposition was given on Monday
the 12th day of September 2016, commencing at the hour
of 10:11 a.m., before, Susan C. Stevenson, a Certified
Shorthand Reporter, License Number 9760.

The witness personally appeared at 2055
Junction Avenue, Suite 200, San Jose, California 95131.

SER LAO - 09/12/2016

Page 29

1	Q.	The double negative?	10:36:56
2	A.	Yes.	10:36:59
3	Q.	Okay.	10:36:59
4		Do you believe that in order to be a good	10:37:10
5		class representative the person should follow rules and	10:37:13
6		guidelines that they are aware of?	10:37:18
7	A.	Yes.	10:37:21
8		MR. HYUN: Objection. Argumentative. Legal	10:37:22
9		conclusion.	10:37:24
10		BY MR. SATENBERG:	10:37:26
11	Q.	And a good class representative should not	10:37:27
12		knowingly violate a rule or a guideline that he or she	10:37:32
13		is aware of, correct?	10:37:39
14		MR. HYUN: Objection. Argumentative. Lacks	10:37:41
15		foundation. Legal conclusion. Incomplete hypothetical.	10:37:42
16		You can answer.	10:37:48
17		THE WITNESS: Again, I'm -- I didn't quite	10:37:49
18		understand the question fully.	10:37:52
19		MR. SATENBERG: Okay. Let's read the	10:37:53
20		question back.	10:37:54
21		(Record read.)	10:37:55
22		THE WITNESS: Yes. They should not knowingly	10:38:08
23		violate a rule that they are aware of.	10:38:11
24		BY MR. SATENBERG:	10:38:14
25	<u>Q.</u>	<u>When did you stop working for H&M?</u>	10:38:14

SER LAO - 09/12/2016

Page 30

1	<u>A. I don't recall the exact dates. My date of</u>	10:38:37
2	<u>termination, I believe, was September -- an</u>	10:38:37
3	<u>approximation would be September -- around</u>	10:38:40
4	<u>September 23rd, 2015. Around that date.</u>	10:38:45
5	Q. Prior to your -- well, strike that.	10:38:55
6	Had you met your lawyers in this case prior	10:38:59
7	to your date of termination from H&M?	10:39:01
8	A. I did not.	10:39:06
9	Q. How long after your date of termination from	10:39:07
10	H&M did you first meet your lawyers in this case?	10:39:10
11	A. Meet as in person or?	10:39:15
12	Q. Meet in any way.	10:39:22
13	MR. HYUN: Again, I just want to caution you	10:39:23
14	not to disclose any attorney/client communications. But	10:39:25
15	you can -- if you recall.	10:39:29
16	THE WITNESS: I can't remember the exact date	10:39:32
17	that I met with my attorney.	10:39:34
18	BY MR. SATENBERG:	10:39:36
19	Q. Can you give me an estimate?	10:39:37
20	A. Shortly after my date of termination, maybe	10:39:39
21	within -- maybe within a week and a half.	10:39:41
22	Q. Who was the first lawyer that you had contact	10:40:05
23	with after your date of termination from H&M?	10:40:07
24	A. I was in contact with Bill Marder.	10:40:10
25	Q. Prior to your date of termination from H&M,	10:40:22

SER LAO - 09/12/2016

Page 58

1 formal education? 11:24:39

2 A. No. 11:24:40

3 Q. Other than UCSD, did you have any other 11:24:40

4 formal education post high school? 11:24:41

5 A. No. 11:24:42

6 Q. When did you start working for H&M? 11:24:42

7 A. Approximately -- I don't recall the exact 11:24:51

8 date. It was maybe mid-March 2014 -- March 2014. 11:24:53

9 MR. SATENBERG: Again, we're going to mark as 11:25:06

10 Exhibit 3... 11:25:07

11 (Exhibit 3 was marked for identification.) 11:25:19

12 (Witness reviews document.) 11:25:25

13 BY MR. SATENBERG: 11:25:27

14 Q. Do you recognize Exhibit 3? 11:25:27

15 A. I do. 11:25:29

16 Q. Is that your signature at the bottom of 11:25:29

17 Exhibit 3? 11:25:31

18 A. It is. 11:25:31

19 Q. And it was signed on March 3rd, 2014? 11:25:32

20 A. Yes. 11:25:35

21 Q. Exhibit 3 is the offer letter you received 11:25:46

22 when you started working for H&M, correct? 11:25:48

23 A. Correct. 11:25:52

24 Q. And you notice in the second or third 11:25:52

25 paragraph, it says that your start date is going to be 11:25:54

SER LAO - 09/12/2016

Page 59

1 March 7th, 2014?

11:25:57

2 A. Yes.

11:25:59

3 Q. Does that help refresh your recollection that
4 you started working for H&M on March 7, 2014?

11:25:59

11:26:02

5 A. Yes.

11:26:11

6 Q. Prior to March 7, 2014, had you ever done any
7 work for H&M?

11:26:12

11:26:15

8 A. No.

11:26:16

9 Q. Before working at H&M, did you have another
10 job?

11:26:27

11:26:29

11 A. I wasn't working right before I had started
12 working for H&M. I was --

11:26:30

11:26:33

13 Q. At -- I'm sorry. Go ahead.

11:26:34

14 A. I was unemployed at the time.

11:26:36

15 Q. At any time prior to starting to work for
16 H&M, did you have another job?

11:26:38

11:26:40

17 A. So prior -- I'm sorry. Can you repeat the
18 question one more time?

11:26:45

11:26:48

19 Q. Sure.

11:26:49

20 H&M was not your first job, correct?

11:26:52

21 A. Correct.

11:26:54

22 Q. What was the job that you had prior to coming
23 to work for H&M?

11:26:54

11:27:01

24 A. So my previous employer is pretty much what
25 you want to know?

11:27:05

11:27:08

SER LAO - 09/12/2016

Page 88

1 A. I did not. 12:07:14

2 Q. At any point in time did you ask anybody at 12:07:14
3 H&M for any information regarding the pay card you had 12:07:20
4 received? 12:07:22

5 A. So after receiving the pay card. Are you 12:07:22
6 asking if I -- if I spoke to anybody after receiving 12:07:27
7 that pay card after my termination? 12:07:29

8 Q. At any point in time, did you ask anybody at 12:07:32
9 H&M for any information regarding the pay card you 12:07:35
10 received during your termination meeting? 12:07:39

11 A. I think I might have asked the question early 12:07:42
12 on when I first got hired. 12:07:44

13 Q. What was the question? 12:07:45

14 A. Just, "What is it? How does it work?" 12:07:47

15 Q. Prior to your termination from H&M, had you 12:07:49
16 ever been paid via pay card -- 12:07:52

17 A. No. 12:07:54

18 Q. -- from H&M? 12:07:55

19 A. No, I was not. 12:07:56

20 Q. So what do you mean you asked questions about 12:07:57
21 the pay card? 12:08:00

22 A. I simply asked just what it was. 12:08:01

23 I was told that your pay goes on it. And I 12:08:03
24 opted for direct deposit. 12:08:05

25 Q. At any point in time, when you worked for 12:08:22

SER LAO - 09/12/2016

Page 89

1 H&M, did anybody provide you with any written material 12:08:23

2 regarding the pay card option? 12:08:26

3 A. No. 12:08:29

4 Q. When you received the pay card, did the 12:08:31

5 envelope also contain a blank check? 12:08:56

6 A. I believe it may have. 12:09:03

7 Q. Did you ask anybody what the blank check was 12:09:05

8 for? 12:09:12

9 A. I did not. 12:09:13

10 Q. Did you ever use the blank check that was 12:09:17

11 given to you along with the pay card for any purpose? 12:09:19

12 A. I think -- I'm not too sure. I think I might 12:09:25

13 have ended up using that check maybe after a week or so 12:09:28

14 to a -- to a -- to disburse remaining funds on that 12:09:39

15 card. 12:09:40

16 Q. After receiving your final pay on the pay 12:09:42

17 card, did you anything -- did you do anything to 12:09:47

18 research or try and find information regarding how the 12:09:49

19 pay card could be used? 12:09:54

20 A. I did not. 12:09:58

21 Q. At any point in time, did you ask anybody at 12:09:59

22 H&M any questions about how the pay card could be used? 12:10:02

23 A. I don't think I ever did. 12:10:05

24 Q. At any point in time, did you ask anybody any 12:10:08

25 questions about how the pay card could be used? 12:10:11

SER LAO - 09/12/2016

Page 90

1	A.	I did not.	12:10:14
2	Q.	<u>When you received the pay card at your</u>	12:10:29
3		<u>meeting with Cory and Chris, did you tell them that you</u>	12:10:31
4		<u>would prefer to be paid via direct deposit?</u>	12:10:34
5	A.	<u>I was simply handed my card and escorted out</u>	12:10:38
6		<u>of the doors.</u>	12:10:41
7	Q.	When you met with Cory May and Chris Macera	12:10:42
8		and learned about your termination, did you tell Cory	12:10:46
9		May or Chris Macera that you would prefer to receive	12:10:50
10		your final pay via direct deposit as opposed to via pay	12:10:54
11		card?	12:10:59
12	A.	I didn't make any statements to that effect.	12:10:59
13		No.	12:11:01
14	Q.	At any point in time, after receiving the pay	12:11:02
15		card at your termination meeting, did you ever tell	12:11:05
16		anybody at H&M that you would prefer to be paid or	12:11:08
17		receive that pay via direct deposit?	12:11:11
18	A.	I didn't.	12:11:14
19		MR. SATENBERG: All right. We have to go off	12:11:21
20		the record for a tape change.	12:11:22
21		MR. HYUN: Okay.	12:11:25
22		THE VIDEOGRAPHER: This marks the end --	12:11:25
23		excuse me. This marks the end to DVD Number 1 in the	12:11:27
24		videotaped deposition of Ser Lao. The time is	12:11:32
25		12:11 p.m. and we're off the record.	12:11:36

SER LAO - 09/12/2016

Page 91

1	(Brief recess, 12:11 p.m. - 12:19 p.m.)	12:11:41
2	THE VIDEOGRAPHER: This marks the beginning	12:19:44
3	to DVD Number 2 in the videotaped deposition of Ser Lao.	12:19:46
4	The time is 12:19 p.m. and we're on the record.	12:19:53
5	BY MR. SATENBERG:	12:19:57
6	Q. Mr. Lao, I'm going to give you what we are	12:20:21
7	going to mark as Exhibit 5.	12:20:24
8	(Exhibit 5 was marked for identification.)	12:20:25
9	(Witness reviews document.)	12:20:57
10	BY MR. SATENBERG:	12:20:58
11	Q. Mr. Lao, you recognize Exhibit 5?	12:20:58
12	A. I do.	12:21:01
13	<u>Q. A few minutes ago you told us that at some</u>	12:21:01
14	<u>point you applied for a direct deposit when you were</u>	12:21:02
15	<u>working for H&M?</u>	12:21:05
16	<u>A. Yes.</u>	12:21:08
17	<u>Q. Is Exhibit 5 the documents you signed in</u>	12:21:08
18	<u>order to authorize direct deposit?</u>	12:21:10
19	<u>A. It is.</u>	12:21:14
20	<u>Q. At any point in time, when you worked for</u>	12:21:15
21	<u>H&M, did you change your request in any way regarding</u>	12:21:17
22	<u>being paid via direct deposit?</u>	12:21:21
23	<u>A. I don't recall ever doing so.</u>	12:21:25
24	MR. SATENBERG: The paper I'm going to give	12:21:32
25	you, we are going to mark as Exhibit 6.	12:21:32

SER LAO - 09/12/2016

Page 96

1	A.	I do.	12:28:16
2	Q.	What is Exhibit 7?	12:28:17
3	A.	It's a statement from the pay card that I	12:28:18
4		believe I downloaded online showing my transactions	12:28:22
5		that -- that occurred with that card.	12:28:27
6	Q.	When did you download Exhibit 7 from the pay	12:28:31
7		card provider?	12:28:35
8	A.	I don't remember the exact dates.	12:28:38
9	Q.	Can you give us an estimate as to when it	12:28:39
10		was?	12:28:48
11	A.	Maybe within two weeks of my termination,	12:28:49
12		maybe. Within two weeks.	12:28:54
13	<u>Q.</u>	<u>To the best of your recollection, you</u>	12:28:58
14		<u>downloaded and printed Exhibit 7 within approximately a</u>	12:29:00
15		<u>week, two weeks of your termination from H&M, correct?</u>	12:29:04
16	<u>A.</u>	<u>Correct.</u>	12:29:07
17	<u>Q.</u>	<u>What caused you to download and print</u>	12:29:08
18		<u>Exhibit 7?</u>	12:29:18
19	<u>A.</u>	<u>Again, I just wanted to see what fees I was</u>	12:29:21
20		<u>incurring from using the pay card.</u>	12:29:24
21	Q.	Any other reason that you downloaded and	12:29:27
22		printed Exhibit 7?	12:29:30
23	A.	Not that I can think of.	12:29:31
24	Q.	How did you learn that you were able to	12:29:33
25		download and print a document like Exhibit 7?	12:29:38

SER LAO - 09/12/2016

Page 97

1 A. I believe, again, I think after seeing that 12:29:42
2 first charge on my -- on my bank statement that I -- the 12:29:47
3 little bank receipt, I -- I went to the envelope and I 12:29:50
4 read through the documents, and I think they had 12:29:55
5 instructions on how to log onto the website and 12:29:57
6 download, how to pull up a -- your statement. 12:29:57

7 Q. To the best of your recollection, does 12:30:10
8 Exhibit 7 contain all of the transactions that you did 12:30:12
9 with respect to the pay card that you received at the 12:30:16
10 time of your termination? 12:30:18

11 A. Yeah. Everything looks about right. 12:30:20

12 Q. Do you recall which one of the receipts 12:30:45
13 that's listed on Exhibit 7 caused you to discover that 12:30:46
14 you were being charged a fee? 12:30:50

15 A. It might have been the last one. And that's 12:31:06
16 what made me stop using it, because I didn't -- I 12:31:08
17 probably would not want to keep incurring fees. 12:31:12

18 Q. To the best of your recollection, it was 12:31:15
19 the -- 12:31:17

20 A. \$.25 cents. 12:31:17

21 Q. -- September 26th, 2015 transaction at 12:31:18
22 7Eleven? 12:31:20

23 A. Yes. 12:31:21

24 Q. And in connection with that transaction, 12:31:22
25 Exhibit 7 reflects that you were charged \$.25 cents? 12:31:24

SER LAO - 09/12/2016

Page 114

1	VIDEOGRAPHER: The time is 1:48 p.m. and we	13:48:56
2	are on the record.	13:48:58
3	BY MR. SATENBERG:	13:49:00
4	Q. Mr. Lao, any reason why you can't continue to	13:49:00
5	give full, truthful, complete answers?	13:49:07
6	A. I'm sorry. Can you repeat the question?	13:49:11
7	Q. Sure.	13:49:14
8	You feel okay going forward with the	13:49:14
9	deposition?	13:49:16
10	A. Yes. I feel fine.	13:49:17
11	Q. You can continue to give truthful answers?	13:49:18
12	A. Yes.	13:49:21
13	Q. Continue to give complete answers?	13:49:21
14	A. Yes, I can.	13:49:23
15	Q. Did you review any documents during the	13:49:23
16	break?	13:49:27
17	A. We just ate.	13:49:28
18	Q. Did you review any documents during the	13:49:29
19	break?	13:49:31
20	A. No.	13:49:32
21	<u>Q. Mr. Lao, when you were training to become a</u>	13:49:40
22	<u>department manager at the beginning of your employment,</u>	13:49:43
23	<u>did Anders talk to you at all about security checks that</u>	13:49:47
24	<u>employees needed to undergo at the store?</u>	13:49:54
25	<u>A. I believe he did.</u>	13:49:57

SER LAO - 09/12/2016

Page 115

1 Q. What do you recall Anders discussing with you 13:49:58
2 about security checks when you were being trained to 13:50:01
3 become a department manager? 13:50:04

4 A. Just that it was mandatory, it was company 13:50:06
5 policy just to check everybody before they left the 13:50:09
6 store. 13:50:12

7 Q. Did Anders discuss to you what process the 13:50:14
8 company went through in order to do those checks of 13:50:21
9 employees? 13:50:24

10 A. I believe he explained to me that he -- 13:50:27
11 managers were just supposed to inspect the bags of the 13:50:29
12 workers before they left the building. 13:50:34

13 Q. Do you recall anything else that Anders told 13:50:36
14 you about security checks when you were being trained? 13:50:39

15 A. I can't recall anything else, other than just 13:50:43
16 checking the bags before people left the building. 13:50:46

17 Q. When you started working at the Fresno store, 13:50:49
18 did Kachi tell you anything else about security checks 13:50:55
19 that Anders hadn't previously informed you? 13:50:59

20 A. I don't recall anything different from the 13:51:03
21 way -- from what Anders taught me. 13:51:05

22 Q. Was it your understanding that anytime an 13:51:09
23 employee was leaving the store they had to have their 13:51:12
24 bag checked by another employee? 13:51:16

25 A. Of management, yes. 13:51:19

SER LAO - 09/12/2016

Page 116

1	Q.	And the management employee could be either a	13:51:21
2		department manager, a department supervisor or a store	13:51:24
3		manager, correct?	13:51:27
4	A.	Correct.	13:51:28
5	Q.	When you were hired by H&M, you were hired to	13:51:29
6		be a department manager, correct?	13:51:32
7	A.	Correct.	13:51:34
8	Q.	As a department manager you were one of the	13:51:34
9		people who would be conducting the security checks for	13:51:36
10		employees, correct?	13:51:39
11	A.	Correct.	13:51:40
12	Q.	When you were training with Anders, did he	13:51:40
13		show you how to conduct a security check?	13:51:43
14	A.	I don't believe he showed me more than he --	13:51:47
15		I mean, I observed him doing it.	13:51:50
16	Q.	Other than observing Anders do a security	13:51:56
17		check, did you receive any other training with respect	13:52:01
18		to how to conduct a security check of an employee?	13:52:03
19	A.	No.	13:52:09
20	Q.	When you became a store manager, you	13:52:09
21		continued to conduct security checks, correct?	13:52:14
22	A.	Correct.	13:52:17
23	Q.	When you became a store manager for H&M, did	13:52:17
24		you receive any additional training regarding the manner	13:52:22
25		in which security checks were supposed to take place.	13:52:25

SER LAO - 09/12/2016

Page 119

1	had a jacket on that the employee had to unzip jacket so	13:55:58
2	that it could be seen with whether or not there was	13:56:03
3	anything underneath?	13:56:07
4	A. I can only recall being instructed to inspect	13:56:08
5	bags.	13:56:12
6	Q. Okay.	13:56:12
7	So your understanding of H&M's bag check	13:56:13
8	policy is that if an employee was -- had a bag or a	13:56:20
9	package of some kind that that needed to be inspected on	13:56:22
10	the way out?	13:56:24
11	A. Yes.	13:56:25
12	Q. If an employee didn't have a bag or a package	13:56:29
13	then there would be no security check for the employee	13:56:33
14	on that employee's leaving the store, correct?	13:56:35
15	MR. HYUN: Objection. Lacks foundation.	13:56:38
16	Assumes facts. Argumentative.	13:56:39
17	BY MR. SATENBERG:	13:56:47
18	Q. You can answer.	13:56:47
19	A. Can you repeat the question one more time?	13:56:47
20	Q. Sure.	13:56:51
21	<u>If an employee didn't have a bag or a</u>	13:56:51
22	<u>package, they would not be required to undergo a</u>	13:56:55
23	<u>security check upon leaving the store, correct?</u>	13:56:56
24	MR. HYUN: Same objections. It's	13:56:58
25	<u>argumentative. Lacks foundation. And it assumes facts.</u>	13:56:58

SER LAO - 09/12/2016

Page 120

1	<u>THE WITNESS: They would still be required to</u>	13:57:01
2	<u>be walked out of the store, if they were, in fact,</u>	13:57:03
3	<u>working and leaving for a meal break period; the</u>	13:57:06
4	<u>managers would walk -- escort them out the front door.</u>	13:57:09
5	<u>And if they had no bag, there -- there -- there would be</u>	13:57:14
6	<u>nothing to inspect.</u>	13:57:16
7	<u>BY MR. SATENBERG:</u>	13:57:18
8	<u>Q. So your understanding of H&M's policy was</u>	13:57:18
9	<u>that even if you didn't have a bag you still had to be</u>	13:57:21
10	<u>walked out of a store by a manager, correct?</u>	13:57:25
11	<u>A. Correct.</u>	13:57:28
12	<u>Q. And as a manager, a department manager and</u>	13:57:28
13	<u>store manager, you did these bag checks and these</u>	13:57:30
14	<u>employee walk-outs?</u>	13:57:33
15	<u>A. Correct.</u>	13:57:35
16	<u>Q. When you were a department manager and a</u>	13:57:36
17	<u>store manager, if an employee didn't have a bag would</u>	13:57:46
18	<u>you actually walk them all the way to the door or would</u>	13:57:51
19	<u>you just stand some place where you could watch them</u>	13:57:54
20	<u>walk out?</u>	13:57:57
21	<u>A. We would walk them to the door.</u>	13:57:59
22	<u>Q. Right up to the front door?</u>	13:58:01
23	<u>A. Yes. You would escort them to the entrance.</u>	13:58:03
24	<u>Q. Is that how Anders trained you to undergo or</u>	13:58:06
25	<u>conduct a security check?</u>	13:58:09

SER LAO - 09/12/2016

Page 121

1 A. I believe so. I -- I can recall times when I 13:58:13
2 was trained at the Walnut Creek store where managers 13:58:15
3 would walk employees to the front door, regardless of 13:58:18
4 whether or not they had a bag. 13:58:22

5 Q. When you worked at the Fresno store, was 13:58:24
6 there ever a security guard on duty? 13:58:39

7 A. There were times during the weekends, like 13:58:43
8 two days, three out of the week we would have security 13:58:44
9 guard. 13:58:48

10 Q. If there was a security guard on duty, did 13:58:48
11 the bag check process change at all? 13:58:51

12 A. I want to say I believe, yes, they did. 13:58:56

13 Q. How did -- how did the bag check process 13:58:59
14 change if there was a security guard on duty? 13:59:01

15 A. The security guard would inspect the bags. 13:59:03

16 Q. When there was a security guard on duty at 13:59:06
17 the Fresno store, that was security guard stationed at 13:59:09
18 the exit or entrance to the store? 13:59:13

19 A. Yes. 13:59:16

20 Q. If there was a security guard on duty at the 13:59:18
21 Fresno store, employees could just walk up to the 13:59:21
22 security guard who was waiting at the entrance and be 13:59:25
23 checked right there, correct? 13:59:28

24 A. Correct. 13:59:29

25 Q. If an employee did not have a bag -- well, 13:59:30

SER LAO - 09/12/2016

Page 130

1	Q.	Okay?	14:09:58
2	A.	Uh-huh.	14:09:59
3	Q.	"Yes"?	14:10:00
4	A.	Yes.	14:10:01
5	Q.	And I'm just reminding you, I -- I need	14:10:01
6		audible responses to my questions.	14:10:04
7	A.	Okay. I apologize about that.	14:10:06
8	Q.	Can you recall any situation when you were at	14:10:08
9		H&M where you were taking your own out-of-store meal	14:10:11
10		period and because you had to undergo a security check	14:10:15
11		from another employee in the store from another manager,	14:10:19
12		your meal period ended up being less than 30 minutes?	14:10:23
13	A.	Yes. I can recall a few times where I've had	14:10:29
14		to wait after being clocked out.	14:10:32
15	Q.	And you specifically recall that they were	14:10:35
16		situations where because you had to wait for a security	14:10:41
17		check your actual meal period ended up being less than	14:10:45
18		30 minutes?	14:10:50
19	A.	Not less than 30 minutes, because we took	14:10:51
20		one-hour lunches.	14:10:54
21	<u>Q.</u>	<u>What's the longest you can recall ever having</u>	14:10:56
22		<u>to wait for a security check?</u>	14:10:58
23	<u>A.</u>	<u>At least maybe three minutes, three to four</u>	14:11:04
24		<u>minutes.</u>	14:11:07
25	Q.	To the best of your recollection, the longest	14:11:10

SER LAO - 09/12/2016

Page 132

1	you wanted to leave the store?	14:12:30
2	A. Yes.	14:12:32
3	<u>Q. What would you say is the average amount of</u>	14:12:33
4	<u>time you had to wait?</u>	14:12:36
5	<u>A. I would say one to two minutes.</u>	14:12:37
6	Q. Well, let me ask you this. When you took	14:12:50
7	your 10-minute rest break, that was on the clock,	14:13:11
8	correct?	14:13:16
9	A. Correct.	14:13:16
10	Q. And were rest breaks, typically, 10 minutes?	14:13:19
11	A. I guess rest breaks for myself or?	14:13:31
12	Q. Your rest breaks. How long was the typical	14:13:34
13	rest break that you would take?	14:13:35
14	A. I would take 10-minute rest breaks.	14:13:36
15	Q. Were there other employees in the store who	14:13:45
16	took longer than 10 minutes for their rest breaks.	14:13:47
17	A. There would be people on occasion, but it	14:13:50
18	would vary.	14:13:51
19	Q. So that would vary from person to person?	14:13:52
20	A. Correct.	14:13:55
21	Q. Some people would take 10 minutes and some	14:13:57
22	people would take more than 10 minutes?	14:13:59
23	A. Correct.	14:14:00
24	Q. What's the longest -- strike that.	14:14:00
25	When you were a department manager, did you	14:14:05

23	A. You would either let them know beforehand	14:18:39
24	while you walking to the clock. They have	14:18:41
25	walkie-talkies, like, "Hey, I'm going to go out for	14:18:41

SER LAO - 09/12/2016

Page 139

1 did you? 14:21:06

2 A. I believe so. 14:21:09

3 Q. The other managers in your store also had, as 14:21:10

4 part of their regular practice, to meet the employee at 14:21:14

5 the front door in order to check them out for their 14:21:18

6 lunch, correct? 14:21:22

7 A. If they were told beforehand. 14:21:24

8 Oftentimes, people would clock out, they'd 14:21:26

9 sit in the break room for a few minutes and decide that, 14:21:29

10 "Hey, I want to go out now." And then they would 14:21:32

11 call -- they would look for a manager to escort them 14:21:35

12 out. 14:21:35

13 Q. Okay. 14:21:36

14 So we're going to talk about two different 14:21:37

15 situations. The one we are talking about now is the one 14:21:39

16 where the employee tells you, "I'm going on my lunch," 14:21:41

17 and they then go to the back and clock out, correct? 14:21:44

18 A. Correct. 14:21:48

19 Q. Is that the way most employees handled their 14:21:48

20 lunchtime? 14:21:51

21 A. I would say no. 14:21:53

22 Q. How did most employees handle their 14:21:54

23 lunchtime? 14:21:56

24 A. Most employees would head out to clock out, 14:21:57

25 and hang out in the break room for a few minutes. And 14:21:59

SER LAO - 09/12/2016

Page 140

1 then if they decided to go out for lunch, they would 14:22:04
2 look for a manager on the floor and let them know that 14:22:07
3 they were -- they were going to be stepping out of the 14:22:09
4 store. 14:22:13

5 Q. When you were working for H&M, did you, 14:22:14
6 typically, advise the manager, before you clocked out, 14:22:16
7 that you were going to be heading out for your lunch? 14:22:19

8 A. I don't recall ever doing that. 14:22:25

9 Q. So did you, typically, go into the back, 14:22:28
10 clock out, spend some time back there, and then only 14:22:31
11 after you've clocked out advise the manager that you're 14:22:35
12 going for your lunch? 14:22:38

13 A. Yes. 14:22:40

14 Q. All right. 14:22:52

15 So we've talked about the one situation where 14:22:53
16 the employee advises the manager before they clock out 14:22:55
17 that they are going to be leaving for their meal period, 14:23:00
18 correct? 14:23:02

19 A. Correct. 14:23:03

20 Q. When you were a department manager or a store 14:23:11
21 manager, did you ever tell employees that they should 14:23:14
22 advise you before they clock out that they are going to 14:23:18
23 be leaving the store for their lunch? 14:23:21

24 A. I don't recall ever telling that to somebody. 14:23:23

25 Q. Did you ever hear anybody else telling 14:23:26

SER LAO - 09/12/2016

Page 144

1	A.	Yes. I can't give any percentage.	14:27:46
2	Q.	<u>The process that you described for a security</u>	14:28:02
3		<u>check or a walkout for a meal period, is that the same</u>	14:28:06
4		<u>process that's used for rest breaks as well?</u>	14:28:14
5	A.	Yes, it is.	14:28:18
6	Q.	<u>Is that the same process that's used for</u>	14:28:19
7		<u>checking somebody out at the end of the day?</u>	14:28:22
8	A.	Yes, it is.	14:28:25
9	Q.	<u>Is there anything that's different about a</u>	14:28:25
10		<u>security check for a rest break than the meal period</u>	14:28:30
11		<u>security check that you've described?</u>	14:28:35
12	A.	<u>There's nothing different about them.</u>	14:28:37
13	Q.	<u>Is there anything different about the</u>	14:28:39
14		<u>security check at the end of an employee shift?</u>	14:28:41
15	A.	<u>There is nothing -- nothing different.</u>	14:28:45
16	Q.	When you worked for H&M, were you required to	14:28:51
17		bring a bag to work?	14:28:53
18	A.	I was not required to bring a bag.	14:28:55
19	Q.	Were you required to bring a package of any	14:28:57
20		kind to work?	14:29:00
21	A.	I was not required to bring a bag.	14:29:02
22	Q.	Did you ever bring a bag to work?	14:29:04
23	A.	I did.	14:29:05
24	Q.	Under what circumstances would you bring a	14:29:07
25		bag to work?	14:29:08

SER LAO - 09/12/2016

Page 189

1 Q. Do you know how those weeks of pay were 15:50:33
2 calculated; like, for example, was it based on a 40-hour 15:50:35
3 week, based on a 40-hour week times your hourly rate; or 15:50:40
4 was it based on an average of what you had earned during 15:50:48
5 that time period times 40 hours? 15:50:51

6 A. I believe it was just a certain -- it would 15:50:59
7 be a certain number of hours times your hourly rate. 15:51:03

8 So if you achieve let's say the minimum -- 15:51:08
9 you achieve the highest bonus and you received the two 15:51:11
10 weeks, you would get 80 hours. 15:51:14

11 They calculated the workweek as 40 hours. So 15:51:17
12 if it is at .5 weeks, you would get 20 hours times your 15:51:19
13 hourly rate. 15:51:25

14 Q. During the time that you worked for H&M, did 15:51:29
15 you ever work overtime? 15:51:32

16 A. I did. 15:51:34

17 Q. Was there ever a time that you worked 15:51:36
18 overtime in the same quarter that you also were paid a 15:51:41
19 quarterly bonus? 15:51:45

20 A. I believe so. 15:51:48

21 Q. Do you know whether H&M ever performed any 15:51:51
22 kind of calculations to adjust the amount of overtime 15:51:55
23 you were paid as a result of the -- any bonuses you had 15:52:01
24 earned? 15:52:06

25 A. I don't know. 15:52:07

EXHIBIT 4

Corey May November 1, 2016

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and)
on behalf of all others)
similarly situated,)
)
Plaintiffs,)
)
v.) NO. 5:16-CV-333 EJD
)
H&M HENNES & MAURITZ, L.P., a)
New York limited partnership;)
and DOES 1 through 50,)
inclusive,)
)
Defendants.)
-----)

Deposition of COREY MAY,
taken on behalf of the Plaintiffs, at
515 S. Figueroa Street, Suite 1250,
Los Angeles, California, commencing at
11:40 a.m., Tuesday, November 1, 2016,
before EMILY McCARY, CSR No. 7584.

Corey May November 1, 2016

1 (A luncheon recess was taken.)

2 BY MR. HYUN:

3 Q Ms. May, although we took a break, do you
4 understand you are still under oath?

5 A Yes.

6 Q So I'm just asking again about the types
7 of stores H&M has in California, and I'm limiting all
8 my questions to California.

9 A Okay.

10 Q And the time period from 2011 to the 13:25
11 present, December 2011.

12 Do you have knowledge regarding the types
13 of stores H&M has in California?

14 MR. SATENBERG: Vague and ambiguous.

15 THE DEPONENT: Types in terms of what?

16 BY MR. HYUN:

17 Q Like retail, outlet, like different types
18 of stores, different layouts. Have you been to the
19 stores in California?

20 A Yes, to some of them, many of them.

21 Q Which stores do you recall going to in
22 California?

23 A It's a long list. 13:26

24 Q Just, you know, as many as you can
25 recall.

Corey May November 1, 2016

1 A 79, 80.

2 Q Eighty stores?

3 A No. Oh, how many?

4 Q Yes.

5 A I was just listing the numbers for you.

6 Q How many have you been to?

7 A I'm going to say approximately 80 to 90
8 percent of the stores. Some of the more recent --
9 the stores that have opened more recently I haven't
10 seen.

11 Q So that's approximately like 30 stores
12 you've been to?

13:26

13 A It's more than that. That could be
14 right.

15 Q How many stores does H&M have in
16 California currently?

17 A I don't know exactly.

18 Q Do you have a rough estimate?

19 A No. It's been a while since I've looked
20 over how many stores that were here.

21 Q And the stores -- I mean, is it fair to 13:27
22 say they have the same general layout?

23 A No.

24 Q So some stores might have three stories;
25 some stores might have one; some stores might be

Corey May November 1, 2016

1 larger than others?

2 A Yeah, that's correct.

3 Q Is there any difference in the physical
4 layout between outlet stores and what I'd call direct
5 to consumer retail stores?

6 MR. SATENBERG: Lacks foundation.

7 THE DEPONENT: As far as I know, we don't have
8 outlet stores. All of our stores are the same.

9 BY MR. HYUN:

10 Q Do you know if there is an outlet store 13:27
11 in Long Beach? Is that considered an outlet store?

12 A It's considered a regular H&M store.
13 Just because a store is in an outlet mall location
14 doesn't indicate that it's an outlet.

15 Q So does H&M have outlet stores in
16 California?

17 A As far as I know, no.

18 Q So all of the stores are retail?

19 A Yes.

20 Q Generally in all the stores is there one
21 time clock?

22 MR. SATENBERG: Vague and ambiguous. 13:28

23 THE DEPONENT: Yeah, I think so. At least one.
24 Yeah, at least one.

25 / / /

Corey May November 1, 2016

1 BY MR. HYUN:

2 Q Do you know of any stores in California
3 that have more than one time clock?

4 A I don't know of any for sure. I know
5 there are some that have had more than one in the
6 past.

7 Q But as you sit here right now, you don't
8 know of any stores in California that have more than
9 one time clock?

10 A I don't know for sure. I can't say
11 definitively if they still do or don't have more than 13:29
12 one.

13 Q Which stores do you recall having more
14 than one time clock?

15 A Store 80 in Powell Street in
16 San Francisco at one time had two time clocks.

17 Q Do you know where the time clocks were
18 located at the store 80 on Powell Street?

19 A In the back of house area.

20 Q So both of the time clocks were located
21 in the back of the house?

22 A As far as I know, yeah.

23 Q Do you know now whether Powell Street has
24 two or one time clock?

25 A I don't know.

Corey May November 1, 2016

1 Q Any other stores have more than one time 13:29
2 clock in California?

3 A Not that I know of. I'm not sure, but
4 not that I know of.

5 Q Do you know why Powell Street had more
6 than one time clock?

7 A From my understanding it was because of
8 the number of stores -- number of employees in the
9 store.

10 Q But they were both located relatively
11 close to each other?

12 A At the time when they had two time
13 clocks, I saw them, and they were literally right 13:29
14 next to each other.

15 Q And from 2011 through the present, did
16 H&M use the STAR timekeeping system?

17 A I believe so, yeah. Yes.

18 Q And from December 2011 through the
19 present, did H&M use like a BioScan thumbprint in
20 California for timekeeping purposes?

21 A Yes, I think so. I think the BioScan
22 came in with STAR, when we started using STAR.

23 Q Do you know when H&M started using 13:30
24 STAR?

25 A I don't know exactly when it started. I

Corey May November 1, 2016

1 know they were testing it when I started with the
2 company in 2006.

3 Q And is it fair to say that all the time
4 clocks in California are located in the back of the
5 house at the California stores?

6 A I can't say that for sure, but the stores
7 that I know of have it in the back of house.

8 Q And the back of house, you mean -- is it
9 the stock room, the manager's office, the break room, 13:31
10 all in the back of the house?

11 A Yeah, the area where it's not sales
12 floor.

13 Q So generally is that for all the
14 California stores, is the back of the house
15 physically located like literally at the back of the
16 house?

17 A Not necessarily.

18 Q Are there some stores in California where
19 the back of the house is close to the front entrance
20 of the store? 13:31

21 MR. SATENBERG: Vague and ambiguous as to the
22 word "close."

23 THE DEPONENT: I don't know.

24 BY MR. HYUN:

25 Q Are you aware of any employees in

Corey May November 1, 2016

1 A I mean, it looks like on page 506, I'm
2 looking at some of the labels here. I see the -- one
3 of them that I can actually read says "deco room" 13:38
4 sort of up towards the center above one of the
5 markings. Do you have the "C" markings on yours?

6 Q No, but I think I see the deco room next
7 to the electrical room?

8 A Yes, next to the electrical room. If --
9 just by process of elimination, if you're asking me
10 to just look at it, I would assume that's the floor
11 that has the back of house on it, because in Powell 13:38
12 Street their back of house is an entire floor.

13 Q And back of house is the basement?

14 A Yes. Oh, it says "basement" right there,
15 duh. Okay.

16 Q It's okay. And then by looking at that
17 and refreshing your memory, do you know where the
18 time clocks are located based on what you recall of
19 the layout you saw before the remodel?

20 A I'm still just trying to work to orient 13:39
21 myself on -- I mean, the short answer is I don't
22 know.

23 Q Okay. But -- and the sure answer would
24 be that the time clocks would be in the basement
25 somewhere, you just don't know the exact location?

Corey May November 1, 2016

1 A Yeah, that's what I would assume.

2 Q Do you know if there was an entrance or
3 exit in the basement in the San Francisco store?

4 A No, it's underground so you have to take 13:39
5 an elevator.

6 Q And do you know -- so if you go to 507,
7 is the -- I can't read the writing, but it -- so is
8 this the ground level, street level --

9 A Yeah, I mean, it says "Ground Level."

10 Q Do you recall where the entrance was; or 13:40
11 where the entrances are, if there's more than one?

12 A I'm not sure, although it looks like --
13 hold on. Give me a moment.

14 Q Okay.

15 A If I recall from the last time I was
16 there, if you look at the area in the middle on the 13:40
17 left side where it's kind of got like -- it looks
18 like tiling and then like -- almost looks like a
19 ladder, that's actually a runway for mannequins.
20 That's the very front entrance to the store. There's
21 also a side entrance and exit on that floor that I
22 recall that would be, let's say, right side top of
23 the square. It looks like -- I think it's maybe that
24 long hallway next to that staircase. I'm not sure, 13:41
25 but I think that's where it is. So when -- yeah.

Corey May November 1, 2016

1 BY MR. HYUN:

2 Q So if I were to just look at the first
3 page, 510, do you know where the -- which wall the
4 back of the house is located on?

5 A The wall that's on the top of the page it 13:45
6 says there.

7 Q Can you write "back of the house" on
8 the first page?

9 A It's already on there.

10 Q It's already on there?

11 A On the very top you can see it says "back
12 of house," page 2.

13 Q Oh, I see that. Thanks.

14 A Uh-huh.

15 Q And then going to page 511, do you recall
16 where the time clocks were located in the back of the
17 house? 13:46

18 A You know what, I can't exactly. I'm
19 trying to recall which wall they would have been on.
20 If you look on that far -- on the bottom left-hand
21 corner is a little doorway you can see.

22 Q Yes.

23 A That's the doorway to the sales floor.
24 And I can't say exactly where the time clock was. 13:46

25 Q Would the time clock generally be in the

Corey May November 1, 2016

1 break room?

2 A It could be anywhere in the back of
3 house, honestly. Typically it's put in a convenient
4 location for everyone. So sometimes it's by that
5 door to the sales floor; sometimes it's closer to the
6 break room; sometimes it's -- yeah. I wouldn't say
7 there's one pat place. It depends on the layout of 13:46
8 the back of house.

9 Q And looking at the back of the house, do
10 you recall if there were any exits or entrances in
11 the back of the house?

12 A There is at least one emergency exit.

13 Q Do you know where that is?

14 A I believe it's the bottom right-hand
15 corner -- there's actually, you can see the little
16 doorway swing. There's the break room and then more
17 to the right -- sorry, did I say left-hand -- it's
18 right-hand corner. That exits to like the exterior 13:47
19 of the -- it's an outdoor shopping center, so it
20 exits sort of near the garbage area and parking
21 lot.

22 Q And then going to page 510, can you
23 please mark with the letter "E" where the entrances
24 are, the points of entrance?

25 A Yes. I think we have -- okay. Done. 13:47

Corey May November 1, 2016

1 A I don't know exactly. I've been in the
2 back of house there. I believe it was upstairs. 13:50

3 Q Do you recall going to the back of the
4 house at the Long Beach store at some point?

5 A Yes.

6 Q Do you recall seeing any emergency exits
7 at the back of house in the Long Beach store?

8 A I don't recall.

9 Q Do you recall seeing the time clock in
10 the back of the house?

11 A I don't recall.

12 Q Do you recall seeing the time clock
13 anywhere else at the Long Beach store?

14 A No, I don't recall.

15 Q And then do you recall where the
16 entrance/exits are at the Long Beach store? 13:51

17 A I don't remember all of them. I mean, I
18 went into the one.

19 Q So I see on 510 -- or 515 and 516, the
20 writing is hard to read, but there seems to be one
21 entrance on 515 at the bottom?

22 A Like on the curve sort of?

23 Q Yes.

24 A Yes.

25 Q And then on 516 is another entrance on

Corey May November 1, 2016

1 the curve on the bottom?

2 A Oh, uh-huh. I see that.

3 Q Are those the two entrances you recall or
4 were there more than two?

5 A I don't recall all the entrances. I just 13:52
6 went into the one, I believe on the lower level, when
7 I entered, and that's the same one I believe I exited
8 from.

9 Q Okay. Going to 518 and 519.

10 A Okay.

11 Q Have you been to the Walnut Creek
12 store?

13 A I have.

14 Q Looking at these diagrams, can you tell
15 me where the back of the house is?

16 A It is on the upper level.

17 I don't see it here, unless I'm -- yeah,
18 I don't know how to read these. I'm sorry.

19 Q But it's fair to say that the back of the
20 house at the Walnut Creek store was on the upper 13:52
21 level, based on what you recall?

22 A Yeah, from -- yes.

23 Q And was the time clock located in the
24 back of the house?

25 A I believe so.

Corey May November 1, 2016

1 there's a basement. Do you know if this basement
2 is -- do you know if this basement has an
3 exit/entrance?

4 A I believe that it does. I'm not 100
5 percent sure, but when I have been to the store in
6 the past, there is an emergency exit out of the
7 basement. 13:59

8 Q Do you know where it leads to?

9 A I believe that it leads to the street or
10 stairway that leads to the street or something like
11 that.

12 Q Are you aware of any employees ever using
13 the emergency exit from the basement at the Post
14 Street store?

15 A I don't know.

16 Q Do you know where the back of the house
17 is at Post Street?

18 A I believe it's in the basement.

19 Q I can't read the writing. By looking at
20 this blueprint, can you tell me where the basement 13:59
21 is -- I mean where the back of the house is?

22 A It looks like, based on this, it's sort
23 of like almost dead center. In the picture there's
24 an elevator you see with an "X" and there's an arrow
25 in there, I think it indicates a camera that's like a

Corey May November 1, 2016

1 rectangle shaped with a little arrow almost dead
2 center in the layout.

3 Q Yes.

4 A There's an "X." I believe that is the
5 elevator. 14:00

6 Q And do you know where the time clock is
7 located?

8 A I do not know.

9 Q But the back of the house is by the
10 elevator with the arrow?

11 A Yes. I mean, this whole floor is what
12 would be considered the back of house.

13 Q And going to 538, ground floor for Post
14 Street, is that street level?

15 A It looks like it, yes.

16 Q And can you tell me where the entrance
17 and exits are for Post Street? 14:00

18 A I believe they have one entrance, and
19 it's right at the very bottom of the page, you can
20 see the double door swing there.

21 Q Is it right side or left side?

22 A It looks like left side.

23 Q So can you mark "E" where the entrance
24 is?

25 A Uh-huh.

Corey May November 1, 2016

1 representation of the store layout?

2 A It does. The store has actually recently 14:02
3 gone through a remodel. And the last time I was
4 there the remodel was not complete, so I haven't seen
5 the finished product.

6 Q Do you know if there are blueprints for
7 the remodel?

8 A This might be it, because I -- 542 is
9 lower level. I believe this is it.

10 Q And this looks like it might be
11 addressing changes because it says "Existing Elevator
12 Lobby (Not In Scope of Work)" on page 542? 14:02

13 A Uh-huh.

14 Q So does this look like a planned remodel
15 floor plan or do you know?

16 A I don't know.

17 Q Looking at this blueprint for Glendale,
18 can you tell me where the back of the house is?

19 A I believe it is on 543, so the upper
20 level. I don't know if it's clearly -- oh, it is 14:03
21 here. So this right behind where it says "Existing
22 Elevator Lobby, Not In Scope Of Work," behind that.

23 Q Yes.

24 A The way you're looking at it to your
25 left.

Corey May November 1, 2016

1 Q Yes.

2 A That -- not that whole square, but part
3 of that at least is a -- is the back of house because 14:03
4 I can see the tables with chairs, which might be the
5 break room in the new plan.

6 Q Okay.

7 A Can you see that?

8 Q Yeah. And I'm not sure if I'm reading
9 this correctly, but if you look at the number 25,
10 does that say "Stock Room"?

11 A It says "Stock Room No. 2," I think.

12 Q So it's fair to say that the time clock
13 would be somewhere in this area? 14:04

14 A I would guess. That's where it
15 previously was in the old version of the store.

16 Q As far as you know, has the time clock
17 moved anywhere in the Glendale store?

18 A I don't know if they moved it.

19 Q You don't have any reason to think that
20 it moved?

21 A I don't have -- I don't have any personal
22 knowledge. But looking at this drawing where I think
23 it might have been doesn't look like it's the same
24 anymore.

25 Q So looking at this blueprint, where do

Corey May November 1, 2016

1 you think the time clock is now?

2 A I don't know.

3 Q But as far as you know, it would safe to 14:05
4 say that the time clock would be in the back of the
5 house somewhere?

6 A Yeah, that's what I would guess.

7 Q I don't want to guess, but would it be
8 fair to state that the time clock would be in the
9 back of the house?

10 A Yes.

11 Q I'm going to 54- -- actually, let's just
12 stay on the upper level.

13 A Okay.

14 Q Do you know if the upper level has an
15 accessible entrance/exit for customers? 14:05

16 A I don't believe it does, but I'm not
17 sure. It doesn't look like it.

18 Q And then going to 542 Bates stamp for
19 Glendale, looking at this, can you please tell me
20 where the entrances are or is?

21 A The main customer entrance is on the
22 bottom left-hand side of the page. You can see the 14:05
23 two double doors.

24 Q Where it says 33, number 33?

25 A No. Wait. We're on 542?

Corey May November 1, 2016

1 like an accurate representation of 114 -- store 114,
2 Bates stamp 544 and 545?

3 A As I remember it, yes.

4 Q Looking at this, do you know where the
5 back of the house is?

6 A It should be on -- well, what is listed
7 on the first floor on 545.

8 Q Yes.

9 A At the very back, like the very top of 14:09
10 the page, essentially that square on the right -- on
11 the right-hand top corner you can see bathroom
12 stalls.

13 Q Yes.

14 A That area is the back of house.

15 Q Do you know where the time clock was for
16 Walnut Creek 114?

17 A I can't remember.

18 Q Was it in the back of the house?

19 A I believe so. Or, yes, it was at the
20 time.

21 Q Are you aware at any time the time clock
22 moving from the back of the house at store 114 to the 14:10
23 anywhere else in the store?

24 A I'm not aware.

25 Q And then sticking on the first floor for

Corey May November 1, 2016

1 there. I don't know for sure.

2 Q Did you see the time clock at the
3 Stonestown Galleria?

4 A In the -- I mean, I probably laid eyes on 14:13
5 it. I couldn't recall exactly where it was.

6 Q As far as you know, the time clock should
7 be in the back of the house at the Stone Town
8 store?

9 A Yes.

10 Q And as far as you know, it hasn't moved
11 since then?

12 A I don't know. I would venture to guess
13 that it probably has moved because the store has been
14 remodeled.

15 Q But would it have stayed at the back of
16 the house?

17 A I would guess it would, yeah.

18 Q And where is the entrance to the Stone
19 Town store, if you could tell me?

20 A Okay. This is a mall location, so it 14:14
21 doesn't have swinging doors. It's harder to identify
22 on the map.

23 You know what, I can't tell. I don't 14:14
24 know on this drawing. I'm trying to orient myself,
25 but I can't really figure out based on my memory

Corey May November 1, 2016

1 customers would enter. There's likely to be an exit
2 going out of the store there, usually when you
3 receive shipment, et cetera, and employees exit from
4 there as well sometimes. But I don't see the actual
5 doorway there in the plan.

6 I'm assuming that the customer entrance 14:16
7 on that -- where it says "Open Window" -- I'm just
8 assuming that it's got to be somewhere in there. I
9 just don't see it right now.

10 Q Do you have personal knowledge of whether
11 employees are using the back exit for Stonestown?

12 A I don't have personal knowledge of that,
13 no.

14 Q Going to Irvine Spectrum, 550 Bates 14:16
15 stamp, have you been to the Irvine Spectrum store?

16 A I have.

17 Q Looking at that blueprint, does that look
18 like an accurate representation of the Irvine
19 store?

20 A It does.

21 Q Looking at that blueprint for Irvine, do
22 you know where the back of the house is?

23 A I believe down on the bottom left-hand 14:17
24 section, that's where a little tag that sticks out.
25 It actually says "Staff Area" in that oddly shaped

Corey May November 1, 2016

1 room.

2 Q Yes.

3 A That would be the back of house, I would
4 assume.

5 Q Would that be where the time clock would
6 be?

7 A Yeah, I think so.

8 Q Can you mark that with a "T," please?

9 A Well, I mean, in general. I can't tell
10 you what wall or what area.

11 Q Yeah, you can just put a "T" in that 14:17
12 room. And I mean the letter "T," Mr. T.

13 A I mean, it could potentially -- that
14 staff area could be the break room. And this other
15 area, I see toilets and I see what looks like a stock
16 room. Oh, yeah, it says "stock."

17 So, honestly, I put the "T" over the wall
18 because it could be anywhere. It wouldn't
19 necessarily be in the break room itself.

20 Q And then where were the entrances to the 14:18
21 Irvine Spectrum store?

22 A The main -- there was, I believe, two
23 customer entrances in that store and -- hold on. I'm
24 trying to orient myself. I believe they are in
25 the -- I'm going to say approximate because I'm

Corey May November 1, 2016

1 turn to 552 Bates stamp.

2 A Yes.

3 Q Have you been in the Chula Vista store?

4 A I have.

5 Q And then I think by looking at this, is
6 it fair to say that the back of the house is in the
7 bottom left-hand corner where it says "Stock Service 14:20
8 Area"?

9 A Yeah, that looks like it.

10 Q Would the time clock be in that area?

11 A Yes.

12 Q And then can you please point out to me
13 where the entrances are.

14 A I know, because I've used it, that
15 there's an emergency exit there in that back of
16 house. I don't know which of these doors it is.
17 I've been there in the morning before they've opened
18 and used that entrance, so there is one back there.
19 I'm assuming it's this one sort of right in the
20 middle, and it goes to an outer hallway that leads 14:20
21 you to the outside.

22 Q Could you mark that with an "E"?

23 A Uh-huh. So that wouldn't be for
24 customers.

25 Q And can you mark a "T" the time clock,

Corey May November 1, 2016

1 where you believe it would be?

2 A It's somewhere in that back of house. I
3 don't know where it is.

4 Q And then where is the customer
5 entrance?

6 A There's actually two; the very -- the
7 sort of round rotunda.

8 Q I see where it says "Entrance."

9 A There's an entrance there. And then on
10 the opposite end of the store there's two sets of 14:21
11 double doors you can see, that's also an entrance.

12 Q Can you write "E" where the entrances
13 are?

14 A Yes.

15 Q And then, as far as you know, do you have
16 any personal knowledge of employees using the
17 emergency exit to enter or exit the store?

18 A I have personal knowledge of them using
19 it to enter because I've been there when they've done
20 it.

21 Q How about exiting?

22 A I can't say that I've personally seen
23 them use that. 14:21

24 Q So going to 552.

25 A That's where we are now, 552.

Corey May November 1, 2016

1 Q And I don't see an emergency exit
2 anywhere, but I -- looking at this, can you tell me
3 where the back of the house is?

4 A Again, it looks like at the very top of 14:23
5 the drawing you can see tables with chairs, enlarged
6 lounge.

7 Q Yes, I see that.

8 A And then there's a stairway and other
9 things.

10 Q Would the time clock be located in that
11 break room or lounge?

12 A I would think so, yes.

13 Q Do you see any emergency exits here
14 looking at this diagram?

15 A I can't identify them very well by the
16 drawing; so, no, I don't see them myself.

17 Q Going to 555, 556 H&M at Del Amo. 14:23

18 A Yes.

19 Q Have you been there?

20 A Yes, this is the old version of the
21 store, and I've been there.

22 Q So this is not the new blueprint?

23 A Correct.

24 Q Do you know if they have the new
25 blueprint, if H&M has it?

Corey May November 1, 2016

1 I can't really read the writing, but it looks like
2 there's a desk with two chairs and then a bathroom.

3 Q Sorry. Is it --

4 A It's on 555.

5 Q 555, yeah.

6 A Right underneath where the label, the
7 store number and name is.

8 Q Yes, I see that. Okay. That's the back 14:25
9 of the house?

10 A Yeah, that's -- that is a back of house
11 area.

12 Q And that would be generally where the
13 time clock would be?

14 A I'm not sure actually with this store
15 because I believe it also had an additional back of
16 house on the other side as well. There might have
17 been one in each location. I don't recall, and I
18 don't know.

19 Q Okay. Let's break now.

20 (A recess was taken.)

21 BY MR. HYUN:

22 Q Ms. May, I think rather than go through
23 all these spreadsheets -- I mean, sorry, blueprints,
24 I will just ask some general questions.

25 Whether it's before or after the remodel,

Corey May November 1, 2016

1 would you agree that generally time clocks are
2 located in the break -- or the back of the house?

3 A For California stores I would say 14:34
4 generally, yes.

5 Q And then for multilevel stores for the
6 Powell Street, the time clock was in the basement?

7 A In Powell Street, yes.

8 Q And for all the other multilevel stores,
9 like, for example, Torrance Del Amo, right now, the
10 remodel, is it now on multiple stories?

11 A You know what, I don't even know. I 14:34
12 think it is, but I'm not sure. I haven't even been
13 there.

14 Q Are you aware of any stores in California
15 that have a time clock outside of the back of the
16 house?

17 A I'm not aware of any.

18 Q And rather than go through all the
19 blueprints, have you been in the Santana Row, San 14:35
20 Jose store?

21 A Which number is it?

22 Q Well, I'm trying to save time. I'm just
23 going to go based on your memory.

24 A I know, but that store's also been
25 remodeled.

Corey May November 1, 2016

1 stuff like that will be factored in?

2 A That would more come on the payroll end.
3 I'm speaking specifically of like scheduling breaks
4 or scheduling shifts from day-to-day under the
5 parameters of the law.

6 Q Are you familiar with the term "security
7 check" or "exit search"?

8 A Yes.

9 Q And what's your understanding of that at
10 H&M? 14:44

11 A Understanding of it in what sense?

12 Q Like what does that term mean to you in
13 terms of H&M?

14 A That it's a procedure that employees go
15 through when they exit the store.

16 Q And so can you describe the procedure for
17 undergoing an exit search in California?

18 A Well, there -- I mean, there's an exit
19 procedure. So essentially an employee would notify a 14:44
20 manager that they're exiting the building. If they
21 have a bag, they have the bag checked; and if they
22 don't, they're just notifying the manager and
23 then they exit.

24 Q And when does an employee clock out in
25 that procedure?

Corey May November 1, 2016

1 A The employee would -- well, when they
2 notify the manager or when they clock out? Because
3 they might notify the manager right before they clock
4 out, after they clock out. It depends upon the
5 individual.

6 Q But regardless of when they clock out, 14:45
7 whether it's before or after notifying the manager,
8 the search itself is always done after the employee
9 clocks out, correct?

10 A I can't think of a time when it wouldn't
11 be.

12 Q And how about -- so that would -- that
13 exit search procedure applies whenever an employee
14 leaves a store in California, correct?

15 A Not all employees need to be searched
16 when they exit. If they don't have a bag, they don't 14:45
17 need to be searched.

18 Q But they still need to check with a
19 manager before they leave?

20 A They just need to notify a manager that
21 they are exiting.

22 Q And then the manager will visually look
23 at the employee to see --

24 A If they don't have a bag to be checked,
25 they don't need to be checked. The bag doesn't need

Corey May November 1, 2016

1 manager on the way out?

14:47

2 A Yes.

3 Q So how would they have a walkie? How
4 would the employee have a walkie if they're clocked
5 out?

6 A The employee doesn't necessarily notify
7 them after they've clocked out. I already said that.
8 They might still be clocked in at that time.

9 Q Do you know one way or the other whether
10 employees have ever used a walkie to notify their
11 managers that they're leaving the store?

12 A Do I know if they have?

13 Q Yes.

14 A Yes, I know that they have.

15 Q And you know that -- you have personal
16 knowledge that they checked with their manager on a
17 walkie and actually left the store without seeing
18 their manager? Do you know if that has ever happened
19 in California?

14:48

20 A I can't say that I know that for sure.
21 I've heard people calling on walkies that they're
22 exiting the building.

23 Q You've heard them calling, but did you
24 ever personally observe the employee exit the store
25 without checking with the manager after notifying

Corey May November 1, 2016

1 them on a walkie? Have you ever seen that occur?

2 MR. SATENBERG: Vague and ambiguous.

3 THE DEPONENT: That was too much. I can't
4 follow that trail.

5 BY MR. HYUN:

6 Q So have you ever seen an employee use a 14:48
7 walkie and inform the manager, and then the employee
8 leave the store without actually checking with the
9 manager? Have you ever seen that happen?

10 MR. SATENBERG: Vague and ambiguous and
11 misstates the testimony and incomplete hypothetical
12 and lacks foundation.

13 THE DEPONENT: I don't know.

14 BY MR. HYUN:

15 Q You haven't seen it?

16 A I don't know. I can't --

17 Q You don't know one way or the other? 14:49

18 A No, I don't know.

19 Q Do you know if employees are paid for the
20 security check at H&M? Do you know whether that's
21 considered time paid?

22 A If it -- if a time check takes more than
23 a few seconds, which is all it should take, if it
24 takes a long time, then there is a method by which
25 the employees can ask to be paid for that time.

Corey May November 1, 2016

1 Q Do you know if that's anywhere in writing
2 in a policy?

3 A It's written in the memo that we talked
4 about earlier.

5 Q And where is the search supposed to 14:49
6 occur?

7 MR. SATENBERG: Vague and ambiguous.

8 THE DEPONENT: It's hard to answer that;
9 depending upon the store.

10 BY MR. HYUN:

11 Q And is there a certain policy where the
12 search is supposed to occur at the exit?

13 A I don't know.

14 Q You don't know?

15 A Yeah, it may have -- there may have been
16 previous versions of it that might have said that,
17 but I don't know.

18 Q What about the current version?

19 A As far as I know, it doesn't necessarily
20 need to happen immediately at the exit. It can 14:50
21 happen within sight of the exit.

22 Q So the policy is that the search must
23 occur within sight of the exit?

24 A I don't know that that's specifically the
25 wording, but essentially the idea is that the

Corey May November 1, 2016

1 employee -- if they have a bag and they're being
2 checked, that they're being checked so that the
3 manager can see them leave.

4 Q So it's H&M's practice in California for
5 employees to notify the manager and either clock out 14:50
6 before or after notifying the manager, then if they
7 have a jacket or coat or a bag, to find a manager and
8 then walk with them in sight of the exit and undergo
9 the search, and then they can leave?

10 MR. SATENBERG: Misstates testimony.

11 THE DEPONENT: You already asked me that and I
12 already told you no. Only in the case of when I have
13 a bag do I need to physically be in front of a
14 manager so the manager can check the bag.

15 BY MR. HYUN:

16 Q That's what I asked you.

17 A No, you said if I have a jacket or I'm 14:51
18 walking out I need to be escorted to the door.

19 Q We'll get there.

20 But it's H&M's practice in California to
21 require all employees with a bag, jacket -- or with a
22 bag to undergo a security check before they leave?

23 A Yeah, you don't need to have a bag check
24 if you don't have a bag.

25 Q I'm asking for all employees who have a

Corey May November 1, 2016

1 bag, it's H&M's practice to require all employees
2 with a bag to undergo a security check before they 14:51
3 leave?

4 A If you've been in the back of house.

5 Q Okay. So has any policy at H&M ever said 14:52
6 that a search can occur at the back of house, as far
7 as you're aware, any written policy?

8 A I don't know how to answer that because I
9 don't know where a policy -- I don't know if our
10 policy would say you can or cannot do it in the back 14:53
11 of house, because if the employee is exiting from the
12 exit that's in the back of house, of course the check
13 would happen at the back of house because that's
14 where they are.

15 Q I'm not asking what can happen; I'm
16 asking if there's anything in writing that says
17 this --

18 A I don't know.

19 Q Please let me finish.

20 -- that says a search can occur at the
21 back of the house in California? Are you aware of
22 any written policy?

23 A I don't know.

24 Q Ms. May, I've handed you what I'm going 14:54
25 to mark as Exhibit 102.

Corey May November 1, 2016

1 coming out of the back of house, which happens to be
2 on the bottom floor or vice versa, or who knows what
3 the combination could be, the manager has to come
4 downstairs in order to check them out.

5 So this was to clarify with the
6 management the policy so that the exit was as simple
7 and efficient as possible. So that's what it's 15:00
8 referencing.

9 Q So why does it say "meet at the approved
10 exit"?

11 A So during the -- when the store is open
12 to customers, employees exit and enter the store
13 through the customer entrance typically.

14 Q So typically the manager is supposed to
15 meet the employee at the exit to conduct the search?

16 A Typically the manager is supposed to meet 15:01
17 the employee on the sales floor wherever they are and
18 then they exit from whatever exit is the most
19 convenient.

20 Q But here it says to meet at the approved
21 exit?

22 A Yeah, meet at the most convenient
23 approved exit and proceed accordingly. So that could
24 be at the door, but it could be on the way to the
25 door. When you're working a retail sales floor, you

Corey May November 1, 2016

1 items they need during their break, contact H.O.D.
2 for checkout, and proceed to the employee
3 entrance/exit to complete the checkout," period,
4 close quote?

5 Why does it say for the employee to clock
6 out first, gather their stuff, and then proceed to
7 the exit to complete the check out?

8 A The employees are expected to conduct any 15:04
9 personal business when they're -- before they clock
10 in for the day or when they are on their lunch on
11 their own time. So before someone clocks in for a
12 shift, for example, you don't clock in and then put
13 your makeup on and put your stuff away in your locker
14 and change and put your lanyard on. You're supposed
15 to be ready to work at the time that you clock in.

16 The same concept when you're clocking out 15:04
17 for lunch, that retrieving your personal items from
18 your locker, you know, refreshing your makeup or
19 whatever, should be done on your own time.

20 So that's the reference there, and that's
21 why I say it's quick and efficient, so they can go
22 out and enjoy their time on their own since they are
23 leaving the premises.

24 Q So would you agree that written policies
25 control? That all employees at H&M are required to

Corey May November 1, 2016

1 employee entrance/exit to complete the checkout,"
2 period, close quote.

3 Why did you write that language again?

4 MR. SATENBERG: Vague and ambiguous as to the
5 word "again."

6 THE DEPONENT: I mean, I think I already 15:10
7 answered that. The simple thing is that we give the
8 transparent guidance to all employees about what is
9 expected of them in regards to security checkouts.

10 BY MR. HYUN:

11 Q So you agree that H&M's written policies
12 require checkouts to be done at the front entrance or
13 exit?

14 A No, I do not agree.

15 Q Or at the employee exit/entrance as it is
16 written here? 15:11

17 A Yeah, it says "proceed to," so they are
18 to proceed towards the exit, because in order to exit
19 the building they have to go to the exit. And I just
20 mean in a physical sense to be out of the building
21 they have to go to a door.

22 Q So whenever an employee undergoes a
23 check, it's H&M's goal to have the checks done
24 consistently so both that managers and employees know 15:12
25 what to expect?

Corey May November 1, 2016

1 A Yes.

2 Q So that applies for meal and rest breaks,
3 and that also applies when you're leaving the
4 building at the end of your shift?

5 MR. SATENBERG: Vague and ambiguous.

6 THE DEPONENT: Are you asking should they know
7 what to expect when they're exiting?

8 BY MR. HYUN:

9 Q And that it should be the same?

10 A For who or in what circumstances? It's
11 not always the same.

12 Q For -- well, it says -- all right. All 15:12
13 right, that's fine.

14 (Plaintiff's Exhibit No. 103 was marked
15 for identification by the Deposition
16 Officer and is attached hereto.)

17 BY MR. HYUN:

18 Q So Ms. May, I've handed you what I'm
19 going to mark as Exhibit 103. Have you seen this
20 document before?

21 A I probably have seen it. There's -- 15:13
22 policies get updated, so I think I have seen it.

23 Q And what is your understanding of Exhibit
24 103?

25 A That it looks like a page from the policy

Corey May November 1, 2016

1 book and internal theft prevention policy of which
2 this is maybe the first page, maybe the only page. I
3 don't know.

4 Q And if you look at the first sentence -- 15:13
5 or the first section, it says "Employee Bag Check"?

6 A Yes.

7 Q And it says, open quote, "All employees,
8 regardless of position or assignment, that have
9 entered a store carrying a bag, purse, briefcase,
10 backpack, et cetera, will have that bag visually
11 searched by a member of management," open paren, "or
12 uniformed guard where applicable," close paren, 15:14
13 "prior to exiting the store," period, close quote.

14 Is that an accurate statement of H&M's
15 bag check or security check policy?

16 A Yes.

17 Q Does that -- the second paragraph, do you 15:14
18 see the second sentence of the second paragraph of
19 Exhibit 103, and it says, open quote, "If an employee
20 does not have a bag, purse, briefcase, backpack, et
21 cetera, they do not need to wait for a member of 15:15
22 management before exiting the store, but inform a
23 member of management that they are leaving the store
24 for their safety," period, close quote.

25 Does anything in there or any policy you

Corey May November 1, 2016

1 I could say specifically.

2 Q Do you know who would be the person that
3 would be able to answer that question?

4 A Potentially someone in the security
5 department.

6 Q And you didn't write this policy,
7 correct?

8 A No, I did not.

9 Q So you're not qualified to testify as to
10 what it means?

11 MR. SATENBERG: Vague and ambiguous.

12 THE DEPONENT: I didn't write it.

13 (Plaintiff's Exhibit No. 104 was marked
14 for identification by the Deposition
15 Officer and is attached hereto.)

16 BY MR. HYUN:

17 Q Ms. May, I've handed you what I've marked 15:18
18 as Exhibit 104. Have you ever seen this document
19 before?

20 A Yes, or versions of it, yes.

21 Q What is Exhibit 104?

22 A It says it's H&M's Support Book.

23 Q And in employment law terminology, is
24 this what you'd call an employee handbook?

25 A Yeah, you can consider it an employee

Corey May November 1, 2016

1 handbook.

2 Q And based on the number of years of
3 experience you've had in employment relations, H.R., 15:19
4 what is your understanding of the purpose of an
5 employee handbook?

6 A The purpose is to introduce the employee
7 to the company and some key benefits, information
8 about the company's culture, in specific, policies
9 relating to potentially the day-to-day activities of
10 the employees.

11 Q And would you agree that the handbook 15:19
12 would also contain rules that employees are required
13 to follow?

14 A Yes. It might contain policies that
15 would be also found in the policy book.

16 Q And that employees would be required to
17 follow and obey these policies contained in the
18 handbook?

19 A Yes.

20 Q And going back to the rest and meal break
21 checkout process, you agree that the employee clocks 15:19
22 out before the security check is performed?

23 MR. SATENBERG: Wait, for rest breaks too?

24 MR. HYUN: Yes. You can object compound.

25 But you can answer the question.

Corey May November 1, 2016

1 Q Okay. So you agree that at least when 15:21
2 this handbook was in effect, and I don't know when it
3 was in effect because it's not dated, that the
4 employees must use the designated staff entrance when
5 entering or leaving the building for work?

6 A Yes.

7 Q And you also agree that all bags and
8 packages and outerwear must be checked before exiting
9 the building?

10 A Yeah, if that's what it said at the time,
11 that would have been the expectation. 15:22

12 Q And outerwear would mean sweaters,
13 jackets, coats?

14 A I think typically that would refer to
15 coats but...

16 Q But you would agree?

17 A I wouldn't say a sweater is outerwear,
18 but a coat.

19 Q Jacket?

20 A I don't know about a jacket.

21 Q But you don't know because you didn't
22 write this and you don't know what it's intended to 15:22
23 mean, is that what you mean?

24 A Yes, I don't.

25 Q Do you know who would be the person to

Corey May November 1, 2016

1 speak on the handbooks, the meaning of the
2 handbook?

3 A I don't know. Again, I don't know when
4 this was from or who wrote this specifically, so I
5 don't know who that would be. 15:23

6 (Plaintiff's Exhibit No. 105 was marked
7 for identification by the Deposition
8 Officer and is attached hereto.)

9 BY MR. HYUN:

10 Q Ms. May, I've handed you what I've marked
11 as Exhibit 105.

12 A Yes.

13 Q Does this appear to be another employee
14 handbook?

15 A It looks -- I mean, on page -- or 147, 15:24
16 page 147, it says "in this policy book," so -- and
17 looking at the pages it looks like a policy book.

18 Q So what is your understanding of the
19 purpose of a security check?

20 A I believe I answered that earlier, but I 15:24
21 believe the purpose of the security check is to,
22 again, verify -- it is a way of verifying that the
23 employee is exiting the building, but it also
24 verifies that our assets are secure and employees are
25 not stealing company property or something like

Corey May November 1, 2016

1 that. 15:25

2 Q And so if I direct your attention back to
3 that memo you wrote, Exhibit 102?

4 A Yes.

5 Q Is this -- I don't see anywhere where it
6 says in this document that if an employee waits an 15:25
7 inordinate amount of time that they would be paid for
8 the security check.

9 A It references -- on the managers and
10 supervisors, I don't know if it uses that exact
11 language, but it references the process by which to
12 adjust an employee's time -- adjust an employee's 15:26
13 clockout time.

14 Q But that's for meal breaks. Do you see
15 anything that --

16 A It references timely checkouts. I mean,
17 yes, the title of it is California Break and Meal
18 Periods, but it references checkouts in general.

19 Q Can you point me to where you're looking
20 that says...

21 A 299, all three of those bullet points
22 reference timely checkouts and adjustments. On 300 15:27
23 and 301 as well -- well, on 300 it does as well.

24 Q Okay. Because I don't see anything about
25 payment of wages. I just see the adjusting of the

Corey May November 1, 2016

1 BY MR. HYUN:

2 Q Ms. May, do you have an understanding of
3 what H&M's document retention policy is? 15:30

4 A I mean, I could read it right now.

5 Q So other than what is written, you don't
6 have any different understanding?

7 A No, I don't have, no.

8 Q And going to 199, Bates stamp 199, the
9 Internal Theft Policy, is that an accurate statement
10 of the exit search policy and employee bag check 15:31
11 policy in effect in 2011?

12 A Yeah, if it came from that policy book I
13 would assume so.

14 Q And you see the second paragraph, it says
15 "It is very important that all staff understand that
16 when they leave the store, if a manager or security
17 officer is not at the door, they need to seek out a
18 manager and have their bag inspected," period.

19 You would agree with that statement, that
20 that's an accurate statement of the policy, that the
21 employee can't leave simply if a manager's not at the 15:31
22 door?

23 A Yes, in 2011 if they had a bag, yes.

24 Q And a manager -- and would you agree
25 that, based on your experience at H&M and based on

Corey May November 1, 2016

1 your experience in retail, that a manager is not
2 always at the front or at the exit to conduct -- or
3 strike that -- just at the front exit in general?

4 A Yeah, the manager could be anywhere in
5 the store.

6 Q Like, for example, at the manager's
7 office on the computer?

8 A Typically, no. Most of the time they're
9 on the sales floor. 15:32

10 Q Cash register?

11 A Typically, no. Again, because that puts
12 them stuck behind the cash point.

13 Q So on the sales floor working, helping
14 customers, and managing people?

15 A Yeah, usually they're circulating on the
16 sales floor.

17 Q And going to Bates stamp 207, you see the 15:32
18 alarm codes section?

19 A Yes.

20 Q Is that an accurate statement of the
21 alarm code policy at H&M as of this date?

22 A I would -- I suppose so, yeah.

23 Q And then the closing -- Open/Close Store
24 section on Bates stamp 207, would you agree that
25 that's an accurate -- I just want you to focus on the

Corey May November 1, 2016

1 close section, that that's -- that that accurately 15:33
2 states H&M's closing policy in 2011?

3 A Yes.

4 Q So is it accurate to say that H&M's goal
5 is to have two or three people, employees on duty at
6 closing so that they could close the store at the
7 same time?

8 A Yeah, I would say that it's best that
9 they have at least that many people.

10 Q And then going on to the misconduct
11 policy at Bates stamp 220. 15:33

12 Would you agree that this misconduct
13 policy that, that if an employee is found to violate
14 these policies that that may result in immediate
15 termination?

16 MR. SATENBERG: Vague and ambiguous.

17 THE DEPONENT: If someone were to violate some 15:34
18 of these policies, is that what you're saying, that
19 they would be terminated?

20 BY MR. HYUN:

21 Q Or that they could be terminated, not
22 would be.

23 A Depending on the circumstances,
24 possibly.

25 Q And/or subject to corrective action?

2 Q And if you go to page 221 of -- Bates
3 stamp 221 of Exhibit 105, one of the grounds for
4 corrective action or termination would be failure to 15:34
5 follow loss prevention guidelines?

Q But employees are expected to comply with the loss prevention guidelines and policies?

1 (Plaintiff's Exhibit No. 106 was marked
2 for identification by the Deposition
3 Officer and is attached hereto.)

15 Q Ms. May, I've handed you what I've marked
16 as Exhibit 106. Do you recognize this document? 15:37

19 Q And looking at Bates stamp 231, it looks
20 like this was revised November 2014?

22 Q So is it fair to say that this would be
23 the employee handbook in effect as of November
24 2014?

143

Corey May November 1, 2016

1 Q And if you go to Bates stamp 262 of
2 Exhibit 106, Entering/Leaving the Store, that's an 15:37
3 accurate statement of H&M's policy as of November
4 2014?

5 A Yes.

6 Q And so all employees as of this date in
7 California were required to use the designated staff
8 entrance when entering or leaving the building for
9 work?

10 A Yes.

11 Q And that would include leaving for work
12 after undergoing a security check?

13 A Yes.

14 Q And that all bags, packages and outerwear
15 must be checked before exiting the building? 15:38

16 A Yes.

17 (Plaintiff's Exhibit No. 107 was marked
18 for identification by the Deposition
19 Officer and is attached hereto.)

20 BY MR. HYUN:

21 Q Ms. May, I've handed you what has been 15:39
22 marked as Exhibit 107.

23 A Yes.

24 Q Is this another employee handbook?

25 A That's what it looks like.

Corey May November 1, 2016

1 Q And if you look at page Bates stamp 306, 15:39
2 it looks like this was in effect as of November 2013.
3 Do you agree?

4 A Yep, looks like it.

5 Q Going to Bates stamp 335, the section
6 entering or leaving the store, is that an accurate
7 statement of H&M's policy of entering or leaving the
8 store as of November 2013? 15:39

9 A Yep, that's what it says.

10 Q So all employees were required to follow
11 this policy in California as of November 2014?

12 A Yep, this would be all stores.

13 MR. HYUN: Can we take a break?

14 MR. SATENBERG: Yes.

15 (A recess was taken.)

16 MR. HYUN: So back on the record.

17 Q Ms. May, are you aware of any stores in
18 California where the back of the house has a clear
19 line of sight to the exit?

20 MR. SATENBERG: Vague and ambiguous.

21 THE DEPONENT: From inside the back of house,
22 no.

23 BY MR. HYUN:

24 Q For the employee handbooks that we've
25 been going through, and it says effective like

Corey May November 1, 2016

1 November 1, 2014, do you know how long they're
2 effective until? Are they effective until the next
3 revision?

4 A I'm not sure. As far as I know until an
5 update comes.

6 (Plaintiff's Exhibit No. 108 was marked
7 for identification by the Deposition
8 Officer and is attached hereto.)

9 BY MR. HYUN:

10 Q So Ms. May, I've handed you what's been
11 marked as Exhibit 108.

12 A Yes.

13 Q Is this another employee handbook?

14 A Yeah, it looks like it, a support book.

15 Q And then it's revised January 2012 on 15:52
16 Bates stamp 346?

17 A Yes.

18 Q So is it fair to say that this handbook
19 was in effect from January 2012 until the next
20 revision?

21 A Yes.

22 Q And if you go to the -- or if you go to
23 Bates stamp 375, is that an accurate statement of the
24 Entering/Leaving the Store policy in effect when this 15:53
25 handbook was in effect?

Corey May November 1, 2016

1 A What is written there?

2 Q Yes.

3 A Yes.

4 (Plaintiff's Exhibit No. 109 was marked
5 for identification by the Deposition
6 Officer and is attached hereto.)

7 BY MR. HYUN:

8 Q Ms. May, I've handed you what I've marked 15:54

9 as Exhibit 109. 15:54

10 A Yes.

11 Q Is this another employee handbook?

12 A It looks like it.

13 Q And is it fair to say looking at Bates
14 stamp 386, that this was in effect from January 2013
15 until the next revision?

16 A Yes.

17 Q And if you go to Bates stamp 415, that's
18 an accurate statement of H&M's policy regarding
19 entering and leaving the store in effect during the
20 time that this handbook was in effect? 15:54

21 A What's written here?

22 Q Yes.

23 A Yes.

24 (Plaintiff's Exhibit No. 110 was marked
25 for identification by the Deposition

Corey May November 1, 2016

1 Officer and is attached hereto.)

2 BY MR. HYUN:

3 Q Ms. May, I've handed you what's been
4 marked as Exhibit 110.

5 A Yes.

6 Q Is this another employee handbook?

7 A No. This is a policy book.

8 Q And what is the difference?

9 A A policy book is a comprehensive book of 15:56
10 policies that is kept in the store.

11 Q Is this policy book available to all
12 employees?

13 A Yeah, any employee can have access to it.
14 It's also available electronically.

15 Q And then going to Bates stamp 628, you
16 see the date where it says updated 12-15?

17 A Yes.

18 Q So is that when this document was 15:57
19 revised, Exhibit 110, was December 2015?

20 A That's what it looks like.

21 Q Do you know if there are any prior
22 versions of this policy book?

23 A I think we went over one already, or we
24 looked at part of one. I mentioned it at the time,
25 this Exhibit 105 was a policy book. 15:57

Corey May November 1, 2016

1 Q So those are the only two policy books
2 that I have. Is it fair to say that Exhibit 105
3 policy book was in effect -- let's see -- from 15:57
4 January 1, 2011 through December 2015 when this other
5 policy book was revised?

6 MR. SATENBERG: Lacks foundation, calls for
7 speculation.

8 THE DEPONENT: I couldn't say.

9 BY MR. HYUN:

10 Q So going to Bates stamp 701 -- actually, 15:58
11 strike that.

12 So are all employees required to follow
13 both policies contained in the policy books and in
14 the support books?

15 A The policies -- yeah.

16 Q In other words, like an employee can't
17 say I can't choose which rules to follow based on
18 which book they're contained in, the support book?

19 A They should be the same or they should --
20 they may not be worded exactly the same, but they 15:59
21 should reflect the same policy.

22 Q So regardless of whether the rules are
23 contained in the support book or policy book, all
24 employees are expected to follow all of the rules
25 contained in both?

Corey May November 1, 2016

1 A Well, not all of the policies apply to
2 all employees, but employee checks for a store
3 employee would apply to a store employee.

4 Q And then going to Bates 701 of Exhibit
5 110. 15:59

6 A Yes.

7 Q Would you agree that that's an accurate
8 statement of H&M's internal theft prevention policy,
9 or what I would call exit search policy?

10 A The employee bag check policy as it's
11 written there?

12 Q Yes.

13 A That's the employee bag check as of the
14 date of this policy book. 16:00

15 Q And then going to Bates stamp 723 of
16 Exhibit 110, and you see the "Teaching Your Team
17 About Shrink"?

18 A Yes.

19 Q So Teaching Your Team About Shrink, is 16:00
20 "shrink" meaning like basically loss, like theft?

21 A Yeah.

22 Q So one of the ways to reduce shrink or
23 theft would be consistent practice of company
24 routines; is that correct?

25 A Where does it say that?

Corey May November 1, 2016

1 Q The second bolded.

2 A Oh, routines, consistent practice of
3 routines, yes.

4 Q And would that also include security
5 checks, consistent practice of security checks? 16:01

6 A Yes.

7 Q So if you go to Bates stamp 724.

8 A Yes.

9 Q Do you know why there's two internal
10 theft policy --

11 A Pages?

12 Q Yes, with different paginations.

13 A I do not know.

14 And I don't know that they're different. 16:01
15 I didn't compare the two.

16 Q And again, if you turn to page Bates
17 stamp 749 and 750, the misconduct policy.

18 A Yes.

19 Q Would you agree that failure to follow
20 loss prevention guidelines is a basis for
21 disciplinary action at H&M? 16:02

22 A It could result in disciplinary action.

23 Q And then going to Bates stamp 768,
24 "California Meal And Rest Period Requirement."

25 A Wait. Sorry. Which one?

Corey May November 1, 2016

1 checks at H&M?

2 A I don't know.

16:08

3 Q So in California, from December 2011
4 through the present, all employees who have a bag,
5 coat, whatever, outerwear, they must be checked
6 before leaving the store?

7 MR. SATENBERG: Misstates testimony.

16:09

8 THE DEPONENT: Employees who have a bag need to
9 be -- the bag needs to be checked and employees need
10 to notify a manager that they are leaving.

11 BY MR. HYUN:

12 Q And employees who have outerwear must
13 also be checked per the employee handbooks?

14 A If an employee in California was wearing
15 outerwear, I suppose they would need to have it open
16 as they walked out.

17 Q And regardless, for all employees it's
18 H&M's practice and policy since 2011 through the
19 present in California, all employees must check with
20 a manager before leaving the store?

16:09

21 A They should notify a manager that they
22 are leaving the store.

23 Q And that's after -- or actually, strike
24 that.

25 Let me take a -- I think I'm almost done.

Corey May November 1, 2016

1 don't have a bag to be checked, they don't need to be 16:26
2 checked.

3 Q Okay. And if an employee has a bag or
4 outerwear, an employee first clocks out and then
5 undergoes the check, would you agree?

6 A Would I agree with what?

7 Q That the employee clocks out first and
8 then undergoes the check.

9 MR. SATENBERG: Vague and ambiguous.

10 THE DEPONENT: Sorry. You're saying the
11 employee clocks out and then they have their bag 16:27
12 checked if they have a bag?

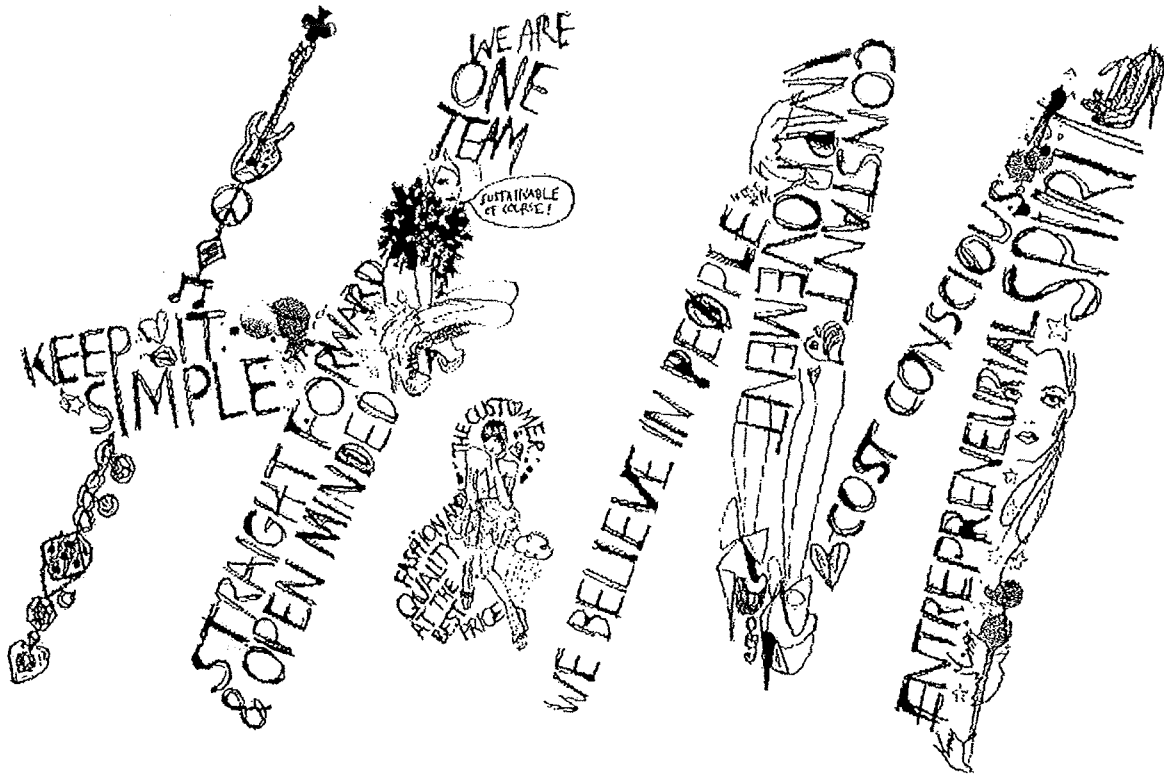
13 BY MR. HYUN:

14 Q Or outerwear.

15 A So if they have a bag and they have to be
16 checked out, typically they would clock out and then
17 their bag is checked, which is maybe a three-second
18 opening of their bag, and then they walk out the
19 door.

20 Q And then so -- and then the other
21 scenario where they don't have a bag or they're not
22 wearing outerwear and they notify management that
23 they're leaving, do they then have to also notify 16:27
24 management when they're exiting?

25 A Isn't notifying them that they're leaving



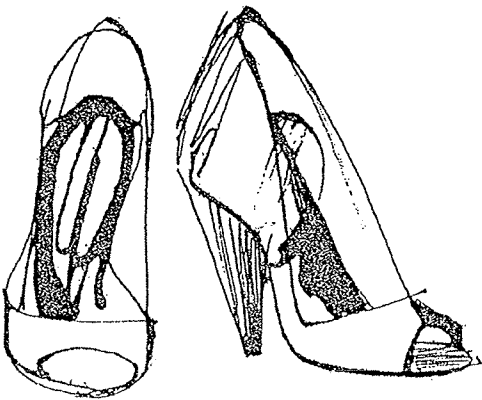
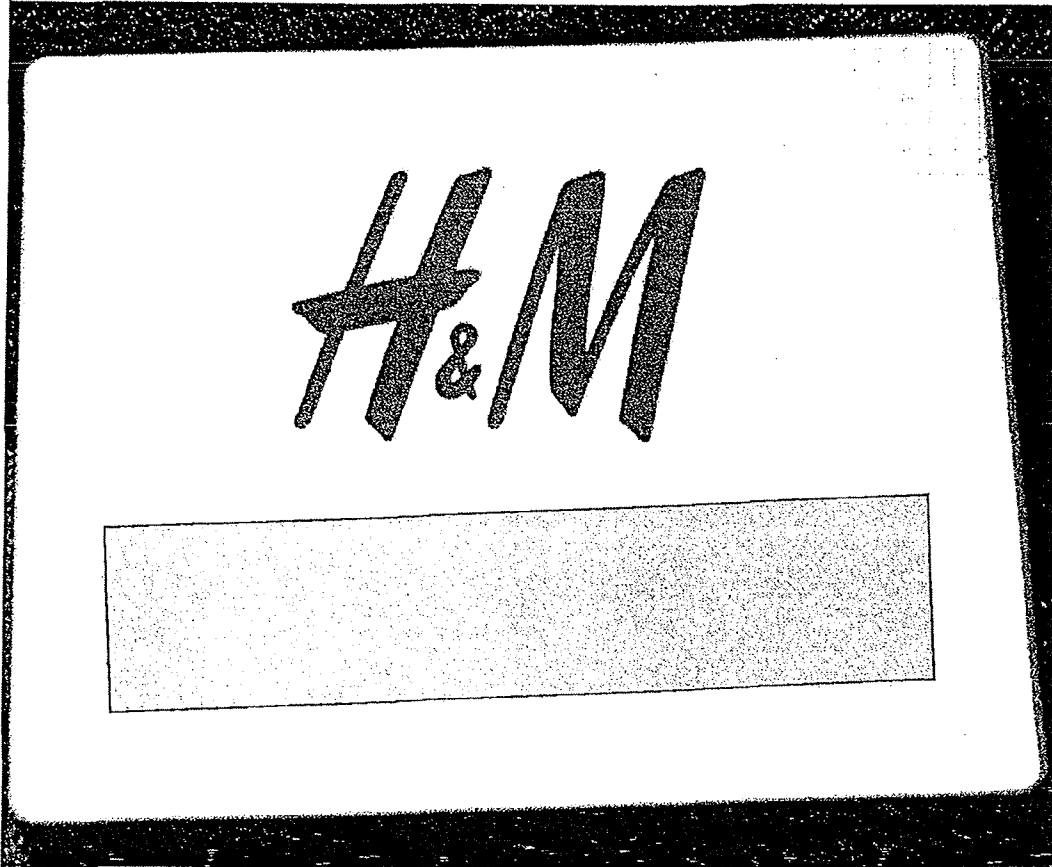
Your Support Book

California Edition

$\Delta \pi$ EXHIBIT 104	
Deponent	Mary
Date	11-1-16
	McEary
	Rptr
WWW.DEPOBOOK.COM	

H&M000103

Write your name on your badge!



104-2

H&M000104



To all H&M employees:

I want to personally welcome you to H&M!

We are a fast-growing fashion retailer in North America. During our first 10 years in the US, we opened 200 stores with sales of \$1 billion dollars. We are very proud of this achievement and expect more to come. We have the ambition to continue our fast-paced growth in the coming years and need people who are highly motivated to make this happen.

H&M is successful because of our strong business concept --to offer **"fashion and quality at the best price"**.

We also have a set of values (not manuals) that guide us. We want to work in a simple way - no bureaucracy. We should always be cost conscious since we have promised our customers we will offer them the best price. Understanding and living our values is key to creating a working environment where everyone counts and where teamwork leads to long-term success -- for the customer, for you and for H&M.

We also believe in personal growth and internal development. This is why many of us have been with H&M for years and have worked in a variety of roles. I started with H&M in 1996. Since then, I have held 8 different positions and worked in 4 countries. It has been a very exciting journey and I have learned a lot. My story is just one of the many stories where we have promoted from within and have given employees new challenges and opportunities.

Your journey has started today. Jump into your new job, work hard, use common sense, be part of the team and live our values. Create your own story! We are here to support you.

I look forward to working with you. See you around!

A handwritten signature, likely belonging to the Country Manager.

Country Manager

Contents:



What we're all about

& Our Business Idea.....	6
& Our Values.....	7
& Our History.....	8
& H&M Around the World.....	9
& Our Responsibilities.....	10
& Customer Service.....	11



Benefits of working at H&M

& Open Door Policy.....	12
& Growth & Development.....	13
& What Should I Wear Today?.....	14
& Work/Life Balance.....	16
& Health Benefits.....	22



How we get it done

& Time Management.....	25
& How We Conduct Ourselves.....	29
& Work Relationships.....	30
& Internet and Phones.....	31
& For Your Safety.....	32
& What Does Progressive Discipline Mean?.....	33



All the legal stuff!

& Laws.....	35
& H&M Policies.....	36



Growth and Development

You are the future of H&M! We are an expanding company with opportunities available for those who have that **Entrepreneurial Spirit!**

We have created a process specifically to identify future talent within H&M. The Internal Promotion Process (IPP) gives you the opportunity to grow into roles like Visual Merchandiser, Department Supervisor, Department Manager, Store Manager and more. See your manager for more details and to discuss which direction you want to take your career.

You own your own development – be our future star!



Store Manager	Expansion Support	District Team
Human Resources	Department Manager	Marketing / PR
Merchandiser	What career paths are you interested in? _____ _____	IT
Loss Prevention		Visual Merchandiser
Logistics	Department Supervisor	Business Controller
Regional Team	Support another country	Building Department



If you're a store level manager (exempt or non-exempt) or Department Supervisor you are eligible to receive Holiday Pay from your first day of employment. If you (excluding PT Department Supervisors) work on a Holiday you will be paid straight time and receive an additional paid day off that should be taken within the following 2 weeks (unless otherwise dictated by state law). This also goes for Holiday weeks when the store is closed and the manager is not able to take 2 days off that week. PT Department Supervisors will receive time and a half for all hours worked on a holiday.

And of course, we honor all state and federal guidelines regarding Holiday Pay.

Wellness Days...achooo!

You may have heard these called sick days before but we're trying to help you stay healthy! That's why we want you to be able to take time off not only when you do get sick, but for doctor's visits to prevent illness and to make sure you're taking care of yourself the right way.

So, all exempt and non-exempt FT employees can receive up to 7 Wellness Days per calendar year starting 90 days after you're hired (unless it's superseded by State, County or Municipal law*). Also, you can take them in 4 or 8 hour increments. PT Department Supervisors qualify for up to 3 days a year.

Here are the reasons to use a Wellness Day:

- & Sick days for you and/or a dependent.
- & Healthcare appointments for you and/or your dependent.
- & Emergencies such as hurricanes, blizzards and black-outs.



These are the only reasons to use a Wellness Day – remember, you have paid time off for other reasons – this is to help you stay healthy!

Some other important info:

We can't carry over Wellness Days – you can't put off being healthy! We also don't pay-out Wellness Days if you leave the company or change status from FT to PT. If you change from FT to PT, you will no longer be eligible for Wellness Days (unless you're a PT Department Supervisor).

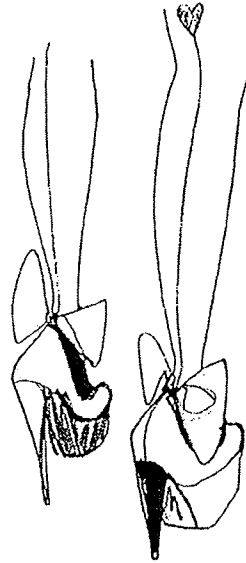
*If you work in a San Francisco location you can accrue 1 hour of Wellness time for every 30 hours worked, but you can't have more than 72 hours of accrued Wellness saved at any time. Your accrued Wellness time can carry over from year to year and you can use it for your own medical care and to care for a family member or designated person.



How many Wellness Days do I get if I started in the middle of the year?

Remember when we talked about that "Calendar Year 0" in the Vacation section? Well, in thinking along those lines, depending on when you're hired during the year you'll get a portion of the Wellness Days. Below is a chart to help you figure out how many days you will receive. This is also for employees who are changing from PT to FT at some point during the year; the amount of days is determined by the date of your status change.

Start Date	Wellness Days (FT Employees)	Wellness Days (PT Dept Sup)
Jan 1-31	7	3
Feb 1 -29	6	3
Mar 1-31	5	2
Apr 1 - 30	4	2
May 1 - June 30	3	1
July 1 - 31	2	1
Aug 1 -31	1	1
Sep 1 - Dec 31	0	0



We've been talking about some of the great benefits of working at H&M – like growth and development, being able to dress your own personality, 25% discount!!!, a healthy work-life balance with Vacation, Holiday and Wellness time and even though that seems like a lot...it's just the tip of the iceberg!

Health Benefits

Listed below are some of the incredible medical and financial programs available – go to the benefits website for more details!

Options for Full and Part-Time employees:

<http://adp.eease.com>

- & 401K - generous company match!
- & Commuter Benefits – pay for your commute with pre-tax dollars!
- & 5 and 10 Year Anniversary Program – choose your own gift!
- & Global Fitness Program – discounts on gyms and exercise equipment.
- & Working Advantage – discounts on entertainment events!
- & Pet Insurance
- & EAP – turn to the next page for more info on this topic.



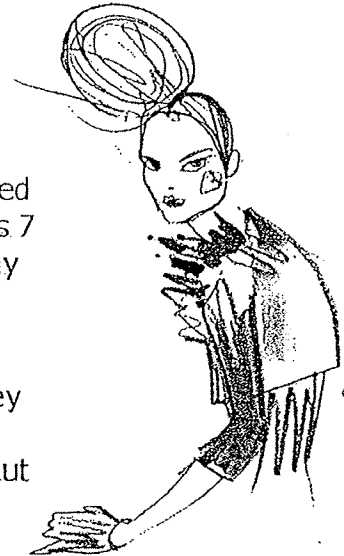
How We Get It Done

We need to make sure we Keep it Simple with our resources of time and talent. In this section you'll see how we manage time and Constantly Improve ourselves to get things done.

It's payday!

Time to reap the rewards of all that hard work! First, you need to know how we calculate our work week: each work week is 7 days, beginning on Monday (12:01am) and ending on Sunday (12:00am). We're paid on a biweekly schedule, every other Friday for the previous 2 weeks (except in RI and NH).

We want to make sure that everyone is paid for the work they do, so you should always review the accuracy of your hours and online pay stubs. If you have a question or concern about your pay, you can partner with your manager, the Payroll Department or an HR representative (remember our Open Door Policy).



In order to be paid for your work you need to "clock in" using our time tracking system, which is a biometric finger scan called S.T.A.R. This scan is not a fingerprint and your information is only used for the timekeeping process. You'll need to clock in and out at the beginning and end of your shift and on your unpaid breaks; you can only do this yourself, not for other employees. The Store Manager is responsible for approving all paid and unpaid time.

In the unlikely event that we have to close our stores or offices due to emergency circumstances like weather or natural disaster, the following applies:

For non-exempt employees: If this happens and you're at work or show up to work, you'll receive pay for your entire shift. If you don't make it in and you're scheduled, you can use wellness days.

For exempt employees: You will be paid if you're scheduled to work whether or not you are present.

We reserve the right to change the process discussed based on business needs. These processes are in accordance with state laws which may require additional steps, as well as the Fair Labor Standards Act (Legal Stuff).



Your Schedule

Just like requesting vacation time, if you would like to request a particular day off of work as part of your normal 2 days off, you need to fill out a TAFW form 4 weeks prior to the date you'll need off. If you didn't find out you needed a day off until the last minute (we've all been there), you can ask one of your co-workers to fulfill your scheduled shift by filling out the Shift Change Request form and confirming the change with your manager by having them sign the form.

Break Time!

We work smart and hard at H&M! Breaks and meals are an important and necessary part of the work day and are not optional. Remember, they are a benefit to you! As such, your breaks will be posted on the daily breakdown.

Basically we get 10 minute paid breaks (SCORE!) and 30 minute unpaid breaks (SWEET!). Here's the rundown:

Rest Breaks

- & You get 1 10-minute paid break for working between 3.5-6 hours.
- & You get 2 10-minute paid breaks for working 6:01-10 hours.
- & You get 3 10-minute paid breaks for working 10:01-12 hours.

Rest breaks may not be accumulated throughout the day for the purposes of extending the time off period nor to leave work early.

Meal Breaks

- & You get 1 30-minute unpaid break for working 5:01-10 hours.
- & You get 2 10-minute unpaid breaks for working 10:01-12 hours.

Meal breaks should be taken, when possible, in the middle of the work shift. You are required and expected to take a 30 minute unpaid/off-duty meal break before the start of the 5th hour of being clocked in for your shift (if you work a shift greater than 5 hours). It's your responsibility to take your breaks on time!



For Your Safety...

Drug Free Work Environment:

We're committed to maintaining an alcohol/drug free workplace for you and your co-workers. The impact of alcohol, illegal or unauthorized drugs (including prescription or over the counter medications) on employee productivity, performance and safety is not compatible with our Values, Business Idea and responsibility to our employee's and customer's safety. It's not ok to possess, sell, purchase, manufacture or be under the influence of an illegal or unauthorized drug or other intoxicant while on H&M premises or while performing duties on behalf of H&M.

For your safety and that of our customers, if you are taking prescribed or over the counter medication that may affect your ability to work safely you need to report it to your manager. Your work may be reassigned for the time you are taking the medication.

Alcohol and drug abuse may be part of an underlying illness; EAP (Employee Assistance Program - see Benefits) is available to all employees for help and advice.

Workplace Violence:

Acts of violence or aggression against employees, customers or any other individual on H&M property will not be tolerated. Notify your manager of any threats that you've witnessed or received or have been told about by another person (Open Door policy). All reports of workplace violence will be investigated and kept confidential to the extent possible. H&M will not retaliate against (penalize) employees for reporting any acts of violence.

Entering/Leaving the Store:

There must always be two employees present in the store at all times; if this is not possible, Security must be contacted. You'll need to use the designated staff entrance when entering or leaving the building for work. All bags/packages and outerwear must be checked before exiting the building. You should only be in the "employee only" areas when you're arriving to work, leaving after finishing a shift or on a scheduled break.

Emergency Closings:

H&M stores and offices will remain open unless extreme circumstances exist. You are expected to report to work unless a location is closed. We urge you to consider whether you can commute to work safely in extreme circumstances, such as weather or natural disaster. Reference the Payday section for pay information for Emergency Closings.

Locker checks:

Lockers and locks are provided to you to secure your personal property - only company supplied locks should be used. Random locker checks will happen. We will not be liable for unsecured personal property – so lock it up!



How we Get it Done

32

104-10

H&M000134

Video Monitoring Policy

To maximize the safety and well-being of our employees, customers and product we may monitor the work environment. Video and digital cameras may be used to monitor warehouses, stores, offices and all other non-restroom and changing rooms on company property, both in and outside. You are requested to acknowledge that you are aware of and have consented to the video monitoring practices of H&M by signing the Acknowledgement form. Tampering with any video monitoring systems is prohibited.

Non-Solicitation/Distribution

Employees may not engage in solicitation of any type during their work time or the work time of the employee being solicited. Using devices provided by H&M to engage in solicitation is also not tolerated. Employees may not distribute electronic or written materials or other objects at any time in work areas; this includes non-work areas when the person receiving or distributing is working. Employees cannot sell personal items on company time. The Non-Solicitation/Distribution policy applies to persons not employed by H&M as well.

Access to Employee file

Any employee may review the contents of their employee file after requesting to do so, giving reasonable notice, to their manager. The manager will set up a time that is convenient for both parties to review the file. Employees may always submit a rebuttal to information included in the file. In addition, employees have the right to request copies of all employment-related documents that they have signed. An employee may inspect only his or her own personnel file.


Press and Other Outside Inquiries

Please refer all questions or requests that any member of the press may have to the Communications Department in the Support Office to ensure an accurate response.

Also, refer any requests for information or notices from government agencies or legal counsel to the Human Resources or Legal Department in the Support Office.

All requests for information about current or former employees should be referred to the Payroll Department; this information should not be communicated by employees working in a store. The Payroll Department will limit their responses to information about title and dates of employment. If an employee wants further information to be released they must complete and submit an Authorization to Release Employment Information form to the Payroll Department.

	Support Office Phone #:	1-212-564-9922
---	--------------------------------	-----------------------

	Payroll Dept. Phone #:	Fill in the number for your local representative
---	-------------------------------	--



Δ π EXHIBIT 105	
Deponent	<i>May</i>
Date	<i>11-1-16</i>
	<i>McClary</i>
	Rptr.
WWW.DEPOBOOK.COM	

H&M000146

CONTENTS

This guide is a collaboration of all H&M policies. Please note that where state or local law applies, H&M will comply. If a Collective Bargaining Agreement (CBA) is in place then the CBA may supersede the information in this Policy Book. All Policies are effective as of 1/1/2011.

RECRUITMENT POLICIES

1

- Guidelines
- Applicant Process
- Business Recruitment Process
- Legal Aspects of Hiring
- Background Check Process
- Categories of Employment

ONBOARDING POLICIES

2

- New Hire Paperwork
- I9 Form Policy
- Schedule for New Hires

COMPENSATION PROGRAM AND POLICIES

3

- Base Salary
- Salary Adjustments
- Processing Salary Changes
- In Training Salary Classification
- Annual Salary Review and Bonus Programs
- Internal Job Posting Process/IPP

PAYROLL AND TIMEKEEPING POLICIES

4

- Paycards and Direct Deposit Policy
- Deduction and Overpayment Policy
- Fair Labor Standards Act Overtime Policy
- Rehire Policy
- Travel Time Policy
- Employee Transfer Policy
- Change of Personal Information
- Scheduling Policy
- Timekeeping Policy
- Wellness Policy
- Leave of Absence Policy
- Employee Files and Access Policy
- Document Retention and Destruction Policy
- Employment Verification Policy
- Unemployment Procedure Policy
- Workers Compensation Insurance Policy

105-2

CONTENTS

HEALTH, SAFETY AND SECURITY POLICIES

5

- Breastfeeding Policy
- Drug and Alcohol Policy
- Internal Theft Policy
- External Theft Policy
- Shoplifting Policy
- Robbery Policy
- Safety Policy

CODE OF CONDUCT POLICIES

6

- Global H&M Code of Ethics Policy
- ADA/ADAAA Requirement Policy
- Discrimination Harassment Policy
- Workplace Bullying Policy
- Fraternization Policy
- EEOC Guideline Policy
- Complaint Procedures
- Open Door Policy
- Computer, Internet and Email Use Policy
- Misconduct Policy
- Peer Witness Program Policy
- Progressive Discipline Policy
- Sunset Provision Policy
- Suspension Policy
- Termination Policy

105-3

H&M000148

CATEGORIES OF EMPLOYMENT

Employees	All individuals who work for H&M and receive wages or salaries from the Company.
Seasonal Employees	Employees whose service with the organization is intended to be for a specified amount of time (not to exceed 120 days). Seasonal workers should be hired during peak business times, (should be during the holiday season or at other times designated by Support Office) and are not eligible for any benefits except the employee discount.
Full-time Employees	Individuals who are normally scheduled to work 32 to 40 hours per week and have open availability. Hours given are based on business need. Depending on business needs, these employees may be scheduled over 40 hours or under 32 hours. For benefit eligibility, refer to the Benefit Orientation Guide.
Part-time Employees	Employees who are normally scheduled to work less than 32 hours or do not have open availability. There is no guarantee of hours for part time employees. For benefit eligibility, refer to the Benefit Orientation Guide.
Non-Exempt Hourly/Salaried Employee	Employees who are not exempt from the overtime provisions of the Fair Labor Standards Act. (These employees receive overtime pay for overtime hours worked).
Exempt, Salaried Employees	Salaried employees who are exempt from overtime provisions under the Fair Labor Standards Act. (These executive, managerial, and administrative employees do not receive overtime pay for overtime work.)

ONBOARDING POLICIES

NEW HIRE PAPERWORK POLICY

All stores, District's etc. must immediately enter all new hire paper work into STAR on or before the first day the employee begins work. Note that each page of the H&M New Hire form has specific instructions listed regarding who completes which section and where the pages are to be archived. It must also be signed by the employee and hiring manager. Also, page 3 of the H&M New Hire form must be completed accurately as well as faxed and forwarded to the Payroll Department; no copies are to be kept in the store. This is especially important when new hire's are using IDs that require re-verification, such as a foreign passport. The Payroll Department utilizes this document to inform the employee and store when the ID is approaching the expiration date.

The mandatory information presented on this form should mirror what's entered into the system so double check for errors, such as

- Personal Information, Part One (e.g., name, address, marital status)
 - Hire date (date the employee begins work for H&M)
- Emergency Contact Information
- Hiring Information
 - Job Title (must use proper "in-training" job title for all store titles, applicable District/Region titles)
 - Home Department/Store
 - Home Team
- Availability (must be approved by the Store Manager)
- Personal Information, Part Two (e.g., Social Security #, Ethnicity)
 - **Salary**
 - Must be approved by the Store Manager.
 - Must be entered into STAR correctly. Salary information for hourly employees must be entered at their hourly wage while salaried employees are entered at their bi-weekly rate (their annual salary divided by 26).
 - The new hire receives the original Job Offer letter and a copy been sent to the Payroll Department.
- Exemptions and Employment Verification
 - I-9
 - W-4
 - State Exemptions

If a new hire is being trained in multiple locations, then enter their temporary transfers into the H&M Employee Transfer/Status Change form *immediately* after processing their new hire paperwork in STAR. These transfers should mirror their training plan. Setting them up this way allows each coach to maintain an overview of the trainee during their time at their respective locations.

Non-Exempt Status for Management New Hires

During the course of their training period, all new hires (including Regional, District, and Store level positions) are to be classified as *non-exempt* employees. This will be captured by entering the 'in-training' title in STAR. Non-exempt employees will be eligible for overtime, travel time, as well as Company paid breaks in accordance with all relevant State or Federal laws.

New hires training for salary exempt positions (e.g., Store Manager), will become exempt upon successful completion of their training and placement in their new position. For example, the training plan for a Store Manager candidate is 13 weeks and during this time the employee is in a non-exempt role (STORE MGR – TRNG). The individual becomes exempt once the final feedback is given by the trainer to the trainee's supervisor (assuming successful completion of their training) and they have been placed within their new role.

An alert will be sent via STAR to a store's management team notifying them that the employees' training period is nearing completion for new hires. The alert will be sent 5 days before completion of the training period. This alert only applies to new hires for certain store-level positions that have the 'in-training' job title. Final feedback must be administered during this time. The employee's job title must change from "in-training" to their new title at the successful completion of training. For IPP's, the manager must keep track as no alert will be sent since varied training plans are used based on employee's own individual situation.

Managers **must** remember to change the employee's job title to reflect their new role at the end of the training period. This directly affects employees who are in bonus eligible roles as the employee will not receive a bonus until after he/she completes the training period and the title is changed.

Salary changes for an internal promotion should not be made effective until the training period has been successfully completed. However, the expected salary should be communicated to the employee before he/she goes through the training, so there are no surprises. The internal Job Offer letter outlines this requirement.

Refer to the 'H&M Employee Hiring Form' section of the STAR Store User Manual for more information on how to properly process this form in the system.

Seasonal Employees

An employment decision must be made for all seasonal employees prior to their 120th day of employment:

- Status Change - refer to the '**H&M Employee Transfer/Status Change Form**' section of this guide for further details.
- Termination (reason code "S" which allows the person to be re-hired unless being terminated for another reason). Please refer to the '**HM Employee Termination Form**' section of this guide for further details.

An alert is sent via STAR to a store's management team on the seasonal employee's 110th day of employment.

An employees' I-9 form must be kept for three years from the employees' date of hire or one year from their termination date, whichever is longer. I-9 forms for active employees must be separated from those of terminated employees. Completed I-9 forms and copies of the employees IDs must be stored in a binder and secured in a locked file cabinet, separate from the one used for employee files. They must also be organized alphabetically by an employees' last name. Please keep in mind that if completed I-9 forms are damaged or destroyed (i.e. in the event of a fire or flood) they must be redone.

The I-9 form (or any form containing confidential information) must be treated securely. It should never be handled in public areas (i.e., the break room) or left unattended. It should only be viewed or handled by those who have a legitimate business reason to do so. This means that only a manager and the new hire completing the I-9 form should be handling it. **Once it has been completed it should immediately be organized, stored and locked away according to the guidelines described in the previous paragraph.**

H&M District LP Managers and HR Generalists will be involved in the I-9 audit process with the stores. They will ensure that the forms are being processed and archived according to H&M standards. Further information regarding the I-9 process can be found in SIP.

SCHEDULES FOR NEW HIRES/TRAINEES

New Hires/Trainees should receive a proper training schedule (in STAR) during the time in which they receive introduction to their role. This means that they must be scheduled with their coach. **They should not be scheduled to cover functions (i.e. registers, fitting rooms, call-off) until they've been successfully trained to perform them.** The store's daily breakdown should reflect this.

Types of H&M in-store trainings

It is important to make a distinction in types of H&M in-store trainings:

Learning: When an employee is hired and trained at their home store, he/she is to receive a 2 week training period. This training period will now be referred to as an associate's *learning* period. The employee's salary costs and effective hours are applied to their home store.

Training: If an employee is receiving instruction in a store other than their home store, then that employee is considered to be *training*. The employee's salary costs are then applied to their home store. This applies for all in-store training portions for support, management, visual, and COR positions. If an employee is in the IPP (Internal Promotion) Process, then that employee is considered to be training. This applies even if the IPP is in their home store.

Schedules for new hires/trainees should follow the H&M Scheduling Policy. Please note, during Learning or Training periods, the employee must not be scheduled to cover a function.

If the store is planned to use base hours for a given week, and the store has an employee in *learning*, the store should inform the District Controller or Manager and create a schedule with the learning hours for the employee added to the normally scheduled hours for the week.

- In the case of a lateral move (same level of position and salary grade to same level of position and salary grade), it is up to the manager to determine if an increase is warranted. In most cases, a lateral move WILL NOT mandate an increase unless the new role is in a higher cost of living location. If the individual is moving to a lower cost of living area, a salary adjustment downward may also be necessary. If the employee is high in range – above 75% - an adjustment may be made. It is appropriate to consider what other employees in similar roles are earning.

Please see the 'Employee Transfer Policy' section under Payroll and Timekeeping Policies for more information.

Reclassification/ Downward Adjustments

A reclassification of an individual to a lower salary may be made as a result of a decrease in performance, a transfer of position, relocation, organizational realignment or business requirements. The manager should consult with Human Resources to determine the new rate of pay. In certain cases, the employee may keep the same salary if the salary is not more than 10% over the maximum of the H&M salary range however he/she will not be eligible for future merit increases until the salary comes in line with the max of the range. H&M reserves complete discretion in determining an employee's new salary

Processing Salary Changes

The effective date for all salary changes should occur on a Sunday of a new payroll period. Salary changes can only be retro-activated up to 30 days beyond the effective date. Exceptions to this would require immediate supervisor approval. All salary changes must have the employee's signature before the Payroll Department can process the change.

All positions have a salary minimum and maximum salary requirement set up in STAR. If a manager enters a salary above or below these, the manager will not be able to process. This rule is put in place to control costs and for equity purposes. If there is a strong reason for going above the max, then the manager needs to have District Manager approval and the payroll must adjust. ***A manager should not temporarily adjust the salary to fit the new store maximum and then have payroll adjust once the person is in the store.***

It is important that all salary changes be applied in a fair and consistent manner. Please utilize the appropriate resources, as described in this document, prior to any salary adjustments. No promise of a salary adjustment should be made without prior approval from a manager.

If you have questions, please consult your District Manager prior to initiating a salary adjustment.

Before you process a status change please refer to the 'H&M Employee Transfer/Status Change Form' section of the STAR Store User Manual for more information on how to properly process this form in the system.

In-Training Classification and Salary

During the course of their training, both external hires and internal candidates for store positions and some regional and district positions are to be classified as *non-exempt*. The correct in training title must be entered into STAR to reflect this. **This means that these**

The bonus period covers the H&M fiscal year (December 1st through November 30th). The bonus payout schedule can be monthly, quarterly, annual or a mix thereof.

More details about the plans can be found on the Everyone drive, under H&M Procedures, or by speaking to your District or Regional Manager, Support Office HR or Regional HR Generalist. H&M reserves the right to change, alter or cancel the plan at any time based on business need and will communicate as appropriate.

Management Coach Bonus

H&M's Management Coach Program is an additional assignment that exists for the development of managers who have shown a proficiency in their job role and a strong work ethic infused with our cultural values and symbolic leadership. A Management Coach must meet certain criteria and possess a desire to help others learn and develop in their new role. The Management Coach role is for developmental purposes only and is not a position. Current job title and salary remain the same. The objective of this bonus program is to reward managers who meet the expectations of their current role, while additionally supporting the growth and development of H&M by training newly hired managers and supervisor.

Currently, the bonus payout is a paid out in lump sum at the beginning of the calendar year as a reward for the previous year's work.

In order to be eligible for the management coach bonus, an employee must have trained one (1) or more H&M employees to take the position of manager (i.e. District, Store, Department) or supervisor (Full or Part-time) within the fiscal year. The employee must also still be in a management position and in good standing (no corrective actions issued or performance problems) at the time of payout.

More details of the plan can be found out by speaking to your District Manager. H&M again reserves the right to change, alter or cancel the plan at any time based on business need and will communicate as appropriate.

Other Incentive/Reward Plans

As determined by business need, the Company may add additional bonus/incentive/reward plans to recognize employees for meeting certain goals.

Career Opportunities

H&M believes that the opportunity for promotion and lateral development is important for our continued growth and success. Each H&M employee is eligible to be considered for promotion and/or transfer without discrimination and in conformance with the Equal Employment Opportunity / Non-Discrimination Policy. Decisions regarding promotions are based on a combination of availability, demonstrated job performance, job related background, education, training, experience and any other factors that have a direct bearing on the position to be filled.

Internal Job Posting Process

H&M will, in most instances, advertise in the Shop Info open positions and the requirements of these positions that become available in the Support Office, Warehouse District/Region offices, etc. Interested candidates will need to submit a resume detailing their H&M and past work experience. Interviews will be conducted with candidates who are qualified.

PAYROLL AND TIMEKEEPING POLICY

Pay Cards/Direct Deposit

All employees are paid bi-weekly for the 2 weeks prior except for employees located in New Hampshire and Rhode Island. If a payday falls on a holiday, pay will be issued on the last scheduled workday prior to the holiday. Pay schedules are subject to change as the Company reserves the right to change its pay cycle and process in accordance with its business needs.

All newly hired employees have to elect having their pay directly deposited into a bank account of their choice by filling out a Direct Deposit form or complete the Employee Pay Card application form found in the Employee Paycard packets held at the store. If the employee does do this, he or she will risk not being paid on time as manual checks are no longer done.

All employees can view their paychecks by accessing the ADP Self Service website at your work location or from home. The URL website is : <http://workcenter.probusiness.com> This site allows you to view and print all pay statements issued to you since June 15,2009 including your annual W2 Form.

When there are any questions, problems, or concerns involving an employee's pay statement:

- The employee's manager should check the employee's timesheet for the week in question.
- **ONLY MANAGERS** should compare the recorded hours on the timecards or timesheets with the hours paid on the employee's pay statement.
- The manager should call the Payroll Department if there is a pay issue or to make the adjustment. In order for the pay issue to be processed, please complete a Payroll Correction form and fax it to the Payroll Department no later than Monday at 4pm. The adjustment will be processed as soon as possible, with the funds deposited in your personal bank account or on your Employee Paycard.
- Terminations requiring immediate payout between payroll processing cycles for employees with direct deposit have to be issued on a Pay Card. Pay Card enrollment packets are kept at all H&M locations to be given to the terminated employee with the enrollment application faxed to the assigned Payroll Representative.

Please contact the Payroll Department immediately if a manager should not be paid for any reason, such as:

- When a manager (exempt or non-exempt) has been terminated before completing their scheduled shifts for the week,
- If a manager (exempt or non-exempt) has been suspended without pay, or
- When a manager has used unpaid time (i.e., they leave early and don't have any wellness days to apply to their work time). This applies to hourly and salaried non-exempt managers only.

DEDUCTION AND OVERPAYMENT POLICY

H&M will not willfully make improper deductions for our employees. Please inform the Payroll Department and your Store or District Manager immediately if an improper deduction

has occurred. The Payroll Department will then reimburse the employee for any improper deductions as soon as possible.

In the event that an employee is inadvertently overpaid for any reason (e.g., additional hours not actually worked, salary, incorrect or inadvertent bonus or merit increase) the employee must notify their manager immediately so that the overpayment can be rectified immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck except where state law dictates otherwise.

FAIR LABOR STANDARDS ACT AND OVERTIME POLICY

The FLSA determines the pay requirements for non-exempt and exempt employees. Employees in a non-exempt position are eligible for overtime after working 40 hours a week. Exempt employees are not eligible for overtime.

- Overtime should be kept to a minimum. All nonexempt employees should **ONLY** work overtime if directly requested and/or approved by his or her supervisor.
- If a nonexempt employee performs ANY work, he or she needs to be paid. Comp time does not apply. Per the Fair Labor Standards Act, it is illegal to not pay nonexempt employees time and a 1/2 after 40 hours worked in a work week.
- A manager must authorize all overtime. Failure to comply with this policy will result in disciplinary action however the employee needs to get paid for the hours worked.
- All current states, with the *exception of Massachusetts and Rhode Island*, recognize time and a half for any hours worked over 40 hours per week. Non-exempt employees in Massachusetts and Rhode Island receive time and a half for hours worked on Sunday.
- Other state laws apply such as daily overtime in California for hours beyond 8 in one work day. Each manager is responsible for knowing their local overtime regulations and complying with such laws.
- Please be aware of the different overtime laws in each state. An employee will receive **overtime pay** in accordance to each store's state laws. Thus, if an employee from NY is supporting a MA store, the MA overtime law applies. If you're unsure, please speak to your Regional HR manager or Payroll Representative.
- All non exempt managers are entitled to overtime pay for the following holidays worked in Massachusetts and Rhode Island stores *only*: Columbus Day and Veterans Day, Victory Day only in Rhode Island
- All other states, including MA and RI, receive the following holidays and all holiday rules apply:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Please refer to the STAR Store User Manual for additional information on how to manage overtime and other time and attendance concerns in the system.

3285-14

Non-exempt employees need to get paid if they are physically working including season start meetings, fashion shows, etc. This also includes scheduled time that an employee has to wait for a manager to open the store. Travel time is also considered actual hours worked.

If a location closes early due to an emergency, a non-exempt employee (including both salaried and hourly) who has started his/her shift will receive payment for the remainder of his/her shift.

No non-exempt employee (including both salaried and hourly) will be paid in an emergency closing situation unless he or she actually reports to work and begins his or her shift.

In the event that the location closes for the entire day or the employee cannot get to work due to the emergency, non-exempt employees should take a wellness or vacation day for the day. Exempt employees will be paid regardless if the location closes for the day. However, he or she must use vacation or wellness day if he or she has any time left and the location is open but he/she cannot physically get to work.

Exempt employees are not eligible for overtime. Exempt employees should always get paid their full salary, except in the following cases:

- When the employee begins employment sometime after the beginning of a payroll period;
- When an employee does not work any hours during a workweek and has no vacation or wellness time left;
- When an employee is taking intermittent FMLA leave;
- When the employee has been terminated before completing his/her scheduled shifts for the week, or
- If they have been suspended without pay per manager approval.

Please call the Payroll Department immediately if a manager should not be paid for any reason.

REHIRE POLICY

Any employee in good standing who leaves H&M for voluntary reasons may be eligible for rehire. If an employee's status is rehirable, H&M does not guarantee that employee a position. Decisions concerning a rehire are based on past performance ratings, work history and business need. Any employee who leaves H&M for involuntary reasons is not ordinarily eligible for rehire with the exception of quit or NCNS.

Other points to consider for rehires:

- **When re-hiring an employee in STAR, if you click the 'Validate' button on the H&M Hiring Form and no employee information appears, do not enter their employee information into the system.** You must contact the Payroll Department to have them re-enter the employee's record and reactivate their user ID.
- The Store Manager must agree to have the employee return based on the employee's file and performance. In general, the employee should return to the same position they were in when they left H&M. Thus, if an employee was a sales associate the employee should be rehired as a sales associate, not a manager. The amount of time the employee has been gone and the experience received outside of H&M will determine the appropriate position.

SCHEDULING POLICY

All stores are required to create schedules based on their store specific master schedule. The master schedule reflects all functions and shifts necessary to meet the store's customer and business needs. The daily breakdowns must also reflect the breakdowns from the master schedule.

Posting of Schedules

- All stores must publish, print, and post the weekly schedule at least one week in advance on Sunday by 5pm local time (i.e. the schedule for Week 40 must be posted by Sunday of Week 39) unless otherwise directed by the District team.
- Remember that all requests for planned time off must be submitted at least 4 weeks in advance.
- All employee schedules (including managers) should be viewable to all staff members.

Break Schedule

- All breaks (paid and unpaid) must be included in the daily breakdown.
- When an employee is scheduled for a break, the employee *must* take it. The employee cannot save one break for the end of the shift so he or she can leave the store earlier or decide not to take the break. The break is considered mandatory, not an option, and in some states it is even required by law.

Closing Shifts

- All shifts must have a set closing time written on the schedule.
- The latest a closing shift can end is at 1 am. Management cannot force any employee to stay after that time, regardless of the status of the store.
- If a Store Manager knows in advance that the store will need to have employees stay longer than ~~1 am~~ **for one** specific night (i.e. inventory) or a holiday period, he/she must receive prior approval from the District Manager. The Regional HR Generalist also needs to be informed and it must be communicated to the staff when the schedule is posted.
- If management needs employees to stay later than 1 am (for reasons other than planned above), they can ask for volunteers but cannot force anyone to stay. Overnight shifts, which are allowed in some stores per the business need, are excluded from this rule.

Canceling/Shortening Shifts

- As a general rule, full shifts must be cancelled by 8 pm the day prior, at the latest. It is the store's responsibility to contact the employee to inform him or her about the change. If the manager does not speak directly to the employee and the employee shows up for work, he/she has the right to work the scheduled shift.
- Another alternative to canceling/shortening a shift is to ask for volunteers. This can be done the same day but the manager has to give the employee ample time to decide if he/she wants to leave. It must also meet the state minimum, where applicable (see the 'Minimum Amount of Hours for a Shift' section for further details) If the employee wants to stay the entire shift, then it is his/her right, and management should not try to convince the employee to leave.
- During the closing shift, a manager can decide that the store is up to standard and send employees home earlier than the posted end of shift. For example, the employee is scheduled for a closing shift until 11 pm but the closing procedures are completed by 10 pm. In this case, the employees would only be paid until 10 pm. However, in order for this to occur, the employee must have worked the minimum hours as noted below per state guidelines.

- There are certain extreme emergency situations, such as bad weather or power breakdowns, when the store has to close during regular opening hours. If the employee is already working when the store closes, he or she will get paid for the rest of the scheduled shift, not the minimum hours required per state. If an employee is scheduled for a shift after the store closes, the manager needs to call the employee as soon as possible to cancel the shift. If the employee still comes to work and a manager physically sees the employee, the employee needs to be paid for the scheduled shift. If the employee is not seen by the manager, then they may be able to use a Wellness day in order to be paid.

Guaranteed Time Code (GUAR)

In certain states, there is a minimum amount of hours the employee legally has to be paid for if they come to work, such as:

Massachusetts- 3 hours	New Hampshire- 2 hours
New Jersey- 1 hour	District of Columbia- 4 hours
New York- 4 hours	Rhode Island- 3 hours
California- 4 hours	

The GUAR time code is to be used in cases where the employee is sent home before completing the state minimum. This includes closing shifts. The time code is applied so they reach the state minimum. For example, if a California employee was sent home after completing 3 hours of their shift, a manager would apply the GUAR time code for one hour, bringing the total hours to 4.

Guaranteed time can also be used in cases where an employee is sent home due to a store closing (for example, during a blackout or snow storm) and thus needs to be paid for the remainder of his/her shift. This only applies to non-exempt employees who have arrived for their scheduled shifts.

Guaranteed time should not be applied in cases where an employee chooses to leave early. For example, a California employee who leaves after working 3 hours for personal reasons does not receive guaranteed time. This should be documented (on paper) so as to avoid confusion.

Refer to the 'Apply a Time Code Override' section of the STAR Store User Manual for more information.

TIMEKEEPING POLICY

Company Workweek

The workweek at H&M is the seven-day period beginning at 12:01 a.m., Sunday and ending 12:00 midnight, Saturday.

Clocking In/Clocking Out

All employees should clock in and out according to their schedule. Employees are to be paid for all time worked.

Timesheets

All stores should have the timesheets authorized daily by 10 am local time (unless otherwise directed by your District Team). The Supervisor Summary should be completed every Sunday before close of business (unless otherwise directed by your District Team). A printed and signed copy of the Summary must be placed in the Payroll binder.

The expectation for H&M managers will be that, in most cases, they will be scheduled to work at least 40 hours per week. **It is every manager's responsibility to ensure that they are working their scheduled shifts.** Scheduling factors (such as vacation, wellness, serving on a jury, taking bereavement time, etc.) will be taken into consideration. However, failure to work the assigned schedule can result in disciplinary action, up to and including termination.

All employees are responsible for ensuring accuracy of the hours worked and should review their pay statements every pay period to ensure that the information is correct.

Please refer to the STAR Store User Manual for further details on how to manage timesheets in the STAR system.

WELLNESS POLICY

As part of H&M's benefits package, exempt and nonexempt full-time employees are eligible for 7 paid Wellness Days per calendar year after 90 days of employment. PT Department Supervisors may earn up to 3 days per calendar year. These are not accrued. Employees can take these days in 1 hour increments. These days can be used for the following reasons:

- for sick days for the employee and/or dependent
- a medical appointment for the employee and/or dependent
- unforeseen emergency circumstances such as hurricanes, blizzards and blackouts

Wellness Days cannot be used for any other reasons. H&M will require the employee to take Wellness Days if they ask for an unpaid leave.

H&M will comply with all federal, state, and municipal guidelines regarding Wellness days. There is no carry-over of Wellness Days from one year to the next and no pay out upon termination. When an employee changes status from full-time to part-time, they are immediately ineligible for Wellness Days. There will be no payment of unused Wellness Days after the status change except where state or local law applies.

When an employee is absent, or requesting to use Wellness Days, for 3 or more consecutive shifts a note from a healthcare provider is required. When an employee is absent for less than three shifts, a manager has the discretion to request a note based on the employee's attendance trends.

An employee's attendance trend may signal the need for a leave of absence (LOA) or other important health benefit, such as a reasonable accommodation. Please partner with your **Regional** HR Generalist for accommodations or Benefits Department for LOA process to decide on the best way to proceed. You may also contact Cigna Behavioral to see if the employee qualifies for LOA related benefits.

Some points to consider when dealing with your staff and Wellness Days:

- *When could a manager or supervisor request a note from an employee?*
 - ❖ A note from a healthcare provider is mandatory if an employee is absent, or requesting to use Wellness Days, for 3 or more consecutive shifts. If it's less than 3 shifts a manager or supervisor has the discretion to request a note. Even if an employee has an appointment, he/she can be asked to bring in a note for verifying the appointment. This is usually done when there is an apparent pattern of absenteeism.
- *Why is it so important?*
 - ❖ A note will help managers make the best decision for the employee (such as FMLA, reasonable accommodation, etc.) as well as the business. A note from a healthcare provider helps to determine if and when an employee can return to work, as well as under what circumstances.
- *Does a note from automatically excuse an absence?*
 - ❖ If an employee brings in a note, this does not automatically disqualify an employee from the progressive discipline policy. Again, an employee's attendance pattern should dictate the next step in the disciplinary process.

What should a note contain?

- ❖ Ideally, the note should not contain medical information. It should state:
 - the day of the visit(s)
 - whether or not the employee is able to return to work
 - when they can return
 - what specific restrictions they may have (i.e., "patient cannot stand for more than four hours without a break"), if any

These types of notes are considered "one-off" notes and can be placed in the employee's file.

- If a manager receives a note containing medical information they will document that they received and reviewed the note before forwarding it to the Benefits Department. **No medical information is kept in the store.**

- *How will a manager follow-up?*

- ❖ Follow-up will depend on a variety of factors, such as:
 - **Determining if and when the employee is able to return to work.** The note should make clear when an employee can return to work, as well as under what conditions (see next bullet point).
 - **If the employee qualifies for a reasonable accommodation.** If the note gives specific restrictions (i.e. "patient cannot lift more than 10 pounds"), a manager will partner with a District Manager or Regional HR Generalist to determine the best course of action. Under no circumstances should a reasonable accommodation request be denied at the store level, and the partnership with the District and HR teams in these situations are required. Until a decision is made, an employee cannot return to work. This is for their safety.
 - **If the employee qualifies for FMLA or a state-specific medical leave of absence (LOA).** These are excused absences and do not result in a corrective action being taken against an employee.
 - **The employee's attendance pattern and frequency/duration of past absence/tardiness.** If the employee doesn't qualify for a LOA, then the manager should decide on the best course of action according to H&M's progressive discipline procedure. The manager will partner with a District Manager or Regional HR Generalist to determine the best course of action.

LEAVE OF ABSENCE (LOA) POLICY

There are different types of leaves of absence which are allowable under the H&M Company Leave Policy and Procedure guidelines.

FEDERAL FAMILY AND MEDICAL LEAVE (FMLA) POLICY

General

The Company will grant eligible employees unpaid family and medical leave in accordance with the Family and Medical Leave Act of 1993 (the "FMLA"). To the extent that an applicable state or local law provides greater leave rights than the FMLA, the Company will provide leave in accordance with such laws.

DOCUMENT RETENTION AND DESTRUCTION POLICY

This policy covers all records and documents, regardless of physical form, and contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, ensure privacy, minimize the cost of record retention, and optimize the use of space and to ensure outdated records are properly destroyed.

Departments that maintain company records are responsible for establishing appropriate record retention management practices. Each Department must:

1. Implement the department's record management policies;
2. Ensure that employee practices are consistent with this policy;
3. Educate staff in understanding good record management practices;
4. Destroy inactive records that have no value upon passage of the applicable retention period;
5. Ensure that records are destroyed in a manner that is appropriate for the type of records information involved.

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against H&M and its employees and possible disciplinary action against responsible individuals. The Country CFO and Loss Prevention Manager will periodically review these procedures with legal counsel or the organization's certified public accountants to ensure that they are in compliance with new or revised regulations.

Further details regarding H&M's 'Document Retention and Destruction' policy in its entirety can be found in the O:Drive. Further details regarding the retention and destruction of store based records (e.g., applications, time cards, credit card receipts) can be found in SIP.

Please note that once H&M is advised of a lawsuit it cannot destroy any documents relating to that lawsuit even if time to maintain the information has expired.

If an employee needs assistance with drug or alcohol dependency, please refer the employee to the EAP number. H&M reserves the right to send an employee home if he or she smells like alcohol or appears under the influence and not be able to do his/her job.

INTERNAL THEFT POLICY

Employee Bag Check

All employees, regardless of position or assignment, that have entered a store carrying a bag, purse, briefcase, backpack, etc, will have that bag visually searched by a member of management (or Security Officer where applicable) prior to exiting the store. The only exception is when an employee is **only** shopping on the sales floor. If an employee goes into an 'employees only' area (breakroom, manager's office, etc.) then they must be inspected before exiting the work location.

It is very important that all staff understand that when they leave the store, if a manager or security officer is not at the door, they need to seek out a manager and have their bag inspected.

Locker Inspection

H&M provides employees with a locker and padlock. Employees are required to lock their valuables in this locker while at work. Personal belongings (aside from outerware hanging in a designated area) are not allowed to be stored outside an employee's locker.

H&M will conduct random locker inspections to insure that no contraband or prohibited items are being stored. These inspections are required to be done monthly with two members of management and all lockers need to be inspected. Any finding of contraband or prohibited items is to be ~~reported~~ immediately to your District LP Manager.

Employee Hotline

The company has a toll free number to report serious violations of any company policy or theft related issues.

Employees are encouraged to report serious matters directly to their manager. Managers must keep the identity of the employee confidential to the extent possible.

The number is 866-HM STAFF (866-467-8233)

Garment Holds

Employees are permitted to hold garment for 24 hours, the same as customers. The garments are to be marked with the employees name on the hold tag and must be signed off by a manager. Stashing or holding of garments to purchase later in any other location is prohibited.

General Guidelines

It is extremely important to remember that if you have suspicions of employee misconduct that you immediately contact your District LP or HR manager before taking any action on your own.

STAFF PURCHASE POLICY

Upon presentation of the H&M staff card and a valid form of picture identification, employees are eligible for the 25% discount from the 1st day of employment. This discount can be utilized for the employee's spouse and dependents (as the IRS defines dependents) in the presence of the employee and with identification. This does not apply to employee's mother, father, legal guardian, or sibling(s).

If a new employee has not been issued a staff card, the store may use the general store staff discount card for the discount. Verification of employment status must be confirmed.

The employee discount applies to purchases for the employee's own use as well as gifts. Employee purchases for non-eligible family and friends are not permitted. The discount will apply on all merchandise with the exception of sample sales and damaged merchandise. The employee discount does not apply to the purchase of gift certificates. Employees are not eligible for promotional gift cards.

Employees shall be eligible to utilize marketing and catalog coupons or receive their normal 25% employee discount. If the coupon or promotion discount is greater than the employee discount, the coupon amount will be used and the 25% does not apply. Some promotions or campaigns may not apply for employee discounts. The Company may also ask that employees make purchases in their designated home store for specific promotions.

Employees must return merchandise within 30 days of purchase with the original receipt. Without a receipt, employees may only make an even exchange which means equal value of merchandise purchased at the time. Employees will not be issued gift cards or merchandise credit as tender for a return.

Employees are allowed to use their discount during any leave of absence for 12 weeks or less. After 12 weeks of absence, the discount card cannot be used until the employee returns to work (the exception is an H&M approved Parental Leave).

Register routines for staff purchases

- Employees are required to identify themselves when they make any register transaction regardless of the store location and even if no discount is applicable.
- Only managers can process staff purchases, returns and/or exchanges. Store Managers must have their employee transactions processed by another manager.
- Managers must verify employment status of employees making purchases, returns and/or exchanges without a staff card by contacting the management of the employee's home store or the Payroll Department.
- Employees must never price or process a sale for themselves, a friend or relative.
- During work hours, purchased goods must be kept in the employee's locker or the designated employee area.
- An employee must be able to produce a valid receipt for purchased items when requested by a manager or LP staff.
- Employee holds may not exceed what is allowed for customers and must be signed by a manager. Employees may not place merchandise in unauthorized areas as holds.
- Employees are not permitted to wear unpaid garments during their shifts nor remove unpaid garments from the store.
- Employees should not use their pay stub as a proof of employment when trying to use the H&M staff discount due to confidentiality purposes. Instead, the manager ringing the

purchase should ask for valid picture id and call the home store of the employee to verify employment.

Violation of this policy may result in disciplinary action up to and including termination.

EXTERNAL THEFT POLICY

Garment Alarms

All stores are equipped with garment alarm systems that will watch the garment for you. The antenna at the front of the store will alarm if a tag is not removed.

Placement of the tags on a garment is to be done in the same location on the garment each time. Tagging guidelines and charts for you to reference can be found in the store.

All systems are to be tested on daily basis before opening by simply walking through the antennas with a tagged garment. If the system does not alarm, check to make sure there is electrical power and that it is turned on. Call for service if the electrical power is not the problem.

If the system is false alarming, before calling for service, take the following steps:

- Check for tags on the floor near the pedestals. It could be a soft, stick-on type.
- Move all fixtures that have tagged garments at least 4 feet away from the system.
- Turn the system off for at least 2 minutes and then turn it back on. It is a computer and this may re-set the system.

If it is still false alarming after checking the above, turn it off and call for service.

All cash registers are equipped with a detacher to remove the tags, a pad that beeps to alert you that a tag is present and an automatic soft tag deactivator.

We currently have detachers that can be locked two different ways, with a key or electronically. All key operated detachers must be turned off when the register is not in use. The keys to these units are to be kept locked in the safe.

The electronic detachers can be programmed to automatically turn off after 15 minute of inactivity and can only be opened with a code. Instructions for programming are in ShopDocs.

Garment Alarm Activation – Customer Service

In an effort to protect our merchandise, each store is equipped with an electronic article surveillance system (EAS). Selected merchandise has the plastic tag attached. The system is activated when the tag passes over the upright antennas or through ones that are buried in the floor at the front of the store or through the upright pedestals in the doorway. It is extremely important that everyone understand the correct process in dealing with customers during alarm activation.

REASONS FOR ACTIVATION

There are five basic reasons why the alarm sounds:

- Cashier failed to remove the tag from a purchased garment
- Tagged display garment is too close to antenna
- Customer enters with tags from other retail companies
- System malfunction
- Theft of garment with tag

PROCEDURE FOR ACTIVATIONS

Any associate has the ability to assist a customer when the alarm activates. When the alarms sounds the following procedure needs to be used each and every time:

- The closest associate to the door should approach the customer. Apologize and offer to remove the sensor.
- Please request the item along with the receipt. Should the customer ask the need for the receipt advise them you need to identify the cashier who made the mistake.
- After the customer has handed you the receipt and the purchase, walk the bag through the system and then have the customer walk through the system without the bag. The reason is to insure where the activation is coming from. It is possible the customer has on garments or has made a purchase from another retailer who failed to remove or deactivate a tag.
- After you identify the H&M bag as the source of the alarm, take the purchase to the nearest register. Advise the customer that it is not necessary for them to leave the front of the store. You will return the purchase to them.
- At the register, check all garments in the bag. There maybe more than one tag left on garments.
- Compare the garments against the receipt. If there are no discrepancies, return the purchase to the customer and again apologize for the inconvenience

EXCEPTIONS

In the event that the customers' purchase does not set off the alarm but the customer does, you may ask the customer the following question: **"Are you wearing or carrying a recent purchase from another store or know of any reason why our alarm activated?"** If the customer indicates a recent purchase, advise them it would be in their best interest to locate the tag as they might activate alarms in other stores as well. This rule also applies for customers who are not carrying any bags or who activate the alarm coming into to the store.

When checking the purchases against the receipt, should you find items in the bag that is not on the receipt, immediately contact a member of management for further instructions.

If a customer responds to you by removing a garment concealed on the person or in pocketbook or admits to you that they did in fact take merchandise, take no further action and immediately request assistance from another manager or LP.

IMPORTANT ITEMS

Do not search or ask to search any customers' person or personal belongings. If a customer voluntarily opens their bags or clothing, you may view the contents. Do not place your hands in any bags and you are not allowed to place your hands on anyone.

Make every effort to be apologetic and if you need to have further discussions with a customer, move away from the doorway to a less conspicuous area. If you need to go off the sales floor, explain to the customer that you wish to make this a private matter and ask if they would accompany off the floor. If they decline, do not force this issue.

Should the store experience an unusual number of false alarms, please check the area around the doorway for tag that may have fallen under displays, fixtures of tagged garments that may be too close to the door or for the small stick on tags used by other retailers that may have fallen off packages. By doing this you may save the company embarrassment with customers or unnecessary,

CCTV (Closed Circuit TV)

In some stores camera systems will be installed and used by the in-house and contract store detectives. The system is used to monitor for potential loss activity. They are not to be used as a way to monitor employee productivity.

Contract Security Officers

Based on need, we will use contract security officers to monitor the front doors and employee entrances. The primary focus of the guards is to be a deterrent for grab and runs at the front door or to assist with garment alarm activations or bag checks and employee ID verifications.

Contract/In-House Store Detectives

Again based on need, we will use detectives from an agency to assist in the apprehension of shoplifters. We also have a limited staff of detectives who are employees of H&M.

In-house detectives, with permission of the District LP Manager, assist you with internal investigations. Under no circumstances are contract detectives permitted to work on internal cases without approval from the Country LP Manager.

SHOPLIFTING POLICY

Shoplifters do not want to be seen or recognized. Utilize the 5 Basic Demands to provide excellent customer service to all our shoppers, as well as put potential shoplifters on notice

Basic Shoplifting Techniques

Distraction

A disturbance will be created by one or more individuals. This could range from an argument, medical problem, a knocked over fixture or anything that will take your focus away from the floor.

To open the register:

Perform a cash transaction using Order Number 12345 and the amount of \$1.00

After you have given them the money, wait for them to leave the store before contacting 911. Wait for the arrival of the police.

Do not discuss the amount of money missing. If contacted by a member of the press, refer them to the Public Relations (PR) Department in the Support Office.

Other Areas of Importance

There are multiple areas of concern that affect shrinkage or loss. Here are some issues to be alert to as a manager.

Banking

- All deposits and safe counts must be double counted
- All deposits must be immediately sealed after verification, logged in armored car service book and locked in the safe

Trilogy Locks

- Codes should be changed at least once a month or immediately if you believe it has been compromised.
- Codes should only be given to people who are authorized to access the Admin Office.

Key Control

- All Managers are issued a master key for the store
- Keys ~~must be signed for~~ upon receipt. Key Log is kept in the safe
- Keys are not to be loaned.
- If there is a temporary need for a key, it must be signed out from the safe.

Alarm Codes

- Every manager must have their own burglar alarm code.
- Sharing of codes is not permitted. (Emergency exceptions allowed).
- To obtain codes for new members of management or covering managers, it is the responsibility of the store where the manager will be assigned to send in the Alarm Code change Form at least 3 days in advance to Loss Prevention
- It is also the responsibility of the manager receiving the code to call LP to obtain the code.
- You can contact your LP Manager to obtain a code after normal business hours

Open/Close Store

Open

- You should not enter the store alone. If there is no other way, please call your District LP Manager as soon as you enter the store.
- In the event your staff has not showed up within 15 minutes of the schedule time, you may enter the store but only after contacting your District LP Manager.
- You will be required to call them every 15 minutes or until your second person arrives.

Close

- You should never close the store alone.
- It is best to close with at least two to three people leaving at the same time.

- All fitting rooms and bathrooms need to be checked for lingering customers.
- The alarm must be set and all doors properly locked and secured.
- Always double check that you have locked the doors by pulling on them prior to leaving.

SAFETY POLICY

The following sections are to be used to help train all new members of management in basic loss prevention and security measures along with related policies and procedures. Most, if not all, information contained in this document exists in detail in approved policy and procedure manuals distributed by the company.

In the event there are questions regarding the content please contact the appropriate District LP manager.

EVACUATION

There can be several reasons for the need to evacuate the store-fire, bomb threat, or power outage-and the key thing to remember is that if you feel that the safety of your staff or customers is threatened you must be prepared to evacuate the store.

FIRE

H&M takes fire prevention and fire safety very seriously. All stores are equipped with sprinklers and fire extinguishers. In some cases, based on fire code requirements, there are also smoke detectors.

- Do you know how to safely exit your store?
- What tells you where the emergency exit is?
- Where is your meeting point? Why do we go to one spot? (So that everyone can be accounted for)
- Have you ever used a fire extinguisher?

It is quite simple to use:

- P** Pull the pin
- A** Aim the nozzle
- S** Squeeze the handles
- S** Sweep across the base of the fire

In the event there is a fire, here are the following steps that need to be taken:

1. Call 911
2. Go the nearest extinguisher and using PASS, attempt to extinguish the fire.
3. If successful, wait for the Fire Department to arrive.

please consult a manager if there are questions about the appropriateness of publishing such concepts or developments related to the company's business on a personal website.

- Respect copyright and financial disclosure laws. Be aware that H&M may request that a person temporarily confine their website or social media commentary to topics unrelated to the Company if it believes this is necessary or advisable to ensure compliance with securities regulations or other laws.
- The use of the H&M logo, graphics, trademarks, trade names, or corporate slogans on a personal website is strictly prohibited.

Failure to abide by this policy may result in legal or disciplinary action, up to and including termination by the Company. Any questions please direct them to Human Resources.

MISCONDUCT POLICY

Although employment at H&M is "at-will" and can be terminated at any time, for any reason, the following list is intended to provide examples of conduct that is not allowed at H&M and may result in immediate termination.

Whether or not an employee who engages in impermissible conduct is subject to corrective action depends on the severity of the misconduct. Since employment is "at-will" decisions concerning the appropriate discipline of any misconduct falls within the Company's sole discretion.

Some examples of misconduct include and are not limited to:

Health and Safety

- Possession of weapons on or about Company premises.
- Acts of violence.
- Implied/actual physical or verbal abuse towards employees or customers.
- Horseplay which results in personal injury or damage to property.
- Failure to report personal injuries that occur while working.
- Violating safety rules and regulations.
- Endangering the safety of others.
- Blocking of emergency routes.
- Any unsafe storage of goods.
- Tampering with or disabling any security or safety equipment (e.g., fire alarm).
- Allowing unauthorized persons in the store (during closing hours) or any 'employee only' area without management approval.
- Allowing pets under any circumstances in the stores or any H&M working area (with the exception of service animals).
- Violating the Company's drug and alcohol policy.

Unprofessional Conduct

- Violating the Company's policies on discrimination and harassment.
- Retaliating against an employee for reporting a violation or cooperating with an investigation.
- Insubordinate behavior including refusal to perform job assignments.
- Violating the Company's non-solicitation or distribution policy.
- Gambling at work.

- Disorderly, aggressive or unprofessional behavior while on Company property or on Company sponsored business, regardless if working or not.
- Falsification of Company documents.
- Disclosure of confidential information or violation of the Company policy on outside employment.
- Misuse or destruction of Company, employee, or customer property.
- Failure to report dishonest acts or cooperate with Company investigations.
- Taping conversations without authorize
- **Loss Prevention**
 - Failure to follow Loss Prevention guidelines.
 - Failure to follow employee discount policies.
 - Theft of Company, employee, or customer property.
 - Failure to follow cash register, cash handling, or banking procedures.
 - Unauthorized entry onto H&M premises.
 - Touching, searching through, or taking another employee or customer's personal property without consent.
 - Leaving the store unattended.
 - Leaving the safe and/or access points (aside from customer entrances) to the store open.
 - Allowing non-managers or non-supervisors to open or close a store without District Manager or security approval.
 - Stashing of merchandise under any circumstances.

Job Performance

- Failure to meet the Company's standards for work performance.
- Excessive absenteeism or tardiness.
- Clocking in/out another employee or knowledge of one employee clocking out another employee and not reporting the time fraud
- Closing the premises or cash points early without District Manager authorization.
- Conviction of a crime which, in the Company's judgment, may impact the employee's ability to perform his or her job function in a satisfactory manner.

Please note that the above groupings are for ease of reading and not for the purpose of establishing separate progressive discipline tracks.

Be sure that your store has both the federal and state labor posters hanging in a prominent place in the back area of the store; that is, in an area where employees tend to spend time, where the view is not blocked (by, for example, empty water cooler containers), and should be at a comfortable height so the information can be easily read. If your store does not have the posters, management should contact the Support Office. These posters should be hanging in the same general area as the "Worker's Compensation" poster.

TERMINATION/DEMOTION POLICY

If the action taken is termination or demotion:

1. Before considering terminating an employee, see if other options are appropriate such as: more training or a transfer; FMLA eligibility (if there is a time and attendance pattern and look at previous warnings in the employee's file).
2. It is the Store Manager's decision whether or not the employee should be terminated or demoted, but the District Manager and/or Regional HR Generalist must be contacted prior to taking action. **The District Manager /Regional HR must approve all involuntary terminations except for quit and job abandonment (NCNS).**
3. In extreme cases, fax a copy of the H&M Termination form and all supporting documentation to the District Manager and/or Regional HR for review.
4. Please make sure that the termination and the termination reason has been approved by the appropriate party **BEFORE** the termination meeting occurs.
5. Issue the termination/demotion in the presence of a second manager using the H&M Termination form (for terminations) or Change of Status form (for demotions).
6. Once the termination meeting is completed please provide the employee with a copy of the termination form.
7. Process the termination in STAR after completing the termination meeting. If it is a demotion, process the status change in STAR after approval and signatures have been obtained.
 - o The Last Day Worked (LDW) should be the last day the employee reported to work, not the last day the employee was scheduled (except in cases of NCNS or Leave Exhausted).
 - For NCNS terminations the LDW should be the employee's 3rd consecutive NCNS shift. For example, if John Doe's third missed shift was Friday, January 26th, then the LDW is Friday, January 26th.
 - For unapproved leaves, the LDW should be entered as the day the manager is processing the termination (see example #1). For approved leaves, the LDW should be the leave exhausted date (see example #2).

Example #1:

James was taken off the schedule by his Store Manager pending approval of his leave claim. His last day worked was on July 1st. James was later denied by Cigna Behavioral, however, he never returned to work. The store received approval for James' termination on July 15th. When processing James termination form the LDW should be July 15th.

Example #2:

Lisa was approved for FMLA and was scheduled to return on September 1st. On September 1st she contacted Ken, her Store Manager, to inform him that she wasn't able to return to work. When processing Lisa's termination form the LDW should be September 1st.

The employee reserves the right not to sign the H&M Termination form. If this happens, simply write "Refused to sign" on the form.

In general, terminations should not occur prior to a final written warning being issued unless it is an extreme circumstance or one that includes a serious company violation (proven theft, physical violence, etc). H&M believes in our employees and wants to give them a chance to improve.

805-31

14. Do not allow the employee to roam the office or back area freely after learning of his/her discharge. Make sure the employee leaves the store premises.
15. Do not cause the employee to be physically removed from the premises unless his/her behavior mandates the need to call security.
16. Once the termination meeting is completed please provide the employee with a copy of the termination form.

Employee Voluntary Termination

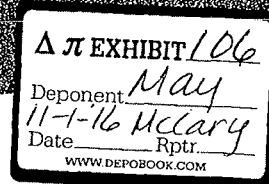
- If an associate resigns voluntarily from H&M, have the associate write down that they are leaving H&M. Have them write it on a documentation form if possible. Otherwise, any written notice is fine.
- Document the resignation on an H&M Termination form, complete it and place in the employee's file. Please make sure to indicate in Section 1 the resignation details. Do not leave blank.
- Please note that the termination reason "resignation" means that the person leaves the job with a two weeks notice and works the full two weeks. This also pertains to a person who resigns on his/her vacation day. The 2 weeks starts from the day they resigned. If the employee calls out, swap shifts, takes vacation or wellness, or does not show up during the final two weeks of employment for any reason, unless legally protected, the termination does not count as a resignation. It would be considered a "quit."
- The termination reason "quit" means that the person does not give a 2 weeks notice or does not finish the full 2 weeks of work as promised. **If someone quits, they are eligible for rehire but not vacation payout unless state law applies.**
- Employees only get accrued and unused vacation paid out if they resign and are not on a final warning in the past 6 months unless state law specifies otherwise. These dates mandate the payout of vacation regardless of the termination reason.

With all management terminations, it is very important to follow up with the Payroll Department and make sure it has been processed in full.

H&M CARES ♥

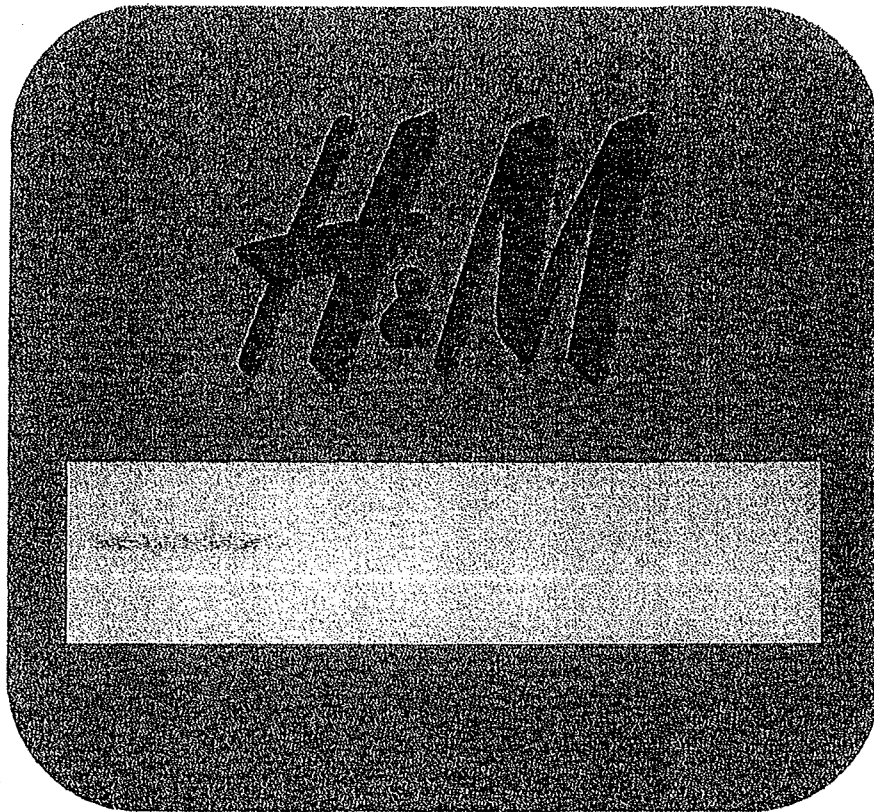
about...*YOU!!!*

Support Book



H&M000230

Write your name on your badge!



Revised November 2014

H&M000231

106-2

To all  employees:

I want to personally welcome you to H&M!

We are a fast-growing fashion retailer in North America. During our first 14 years in the US, we have opened over 380 stores in 35 states and launched Online. We are very proud of this achievement and expect more to come. We have the ambition to continue our fast-paced growth in the coming years and need people who are highly motivated to make this happen.

H&M has a strong business concept --to offer "fashion and quality at the best price", an idea that works successfully in all of our over 3,300 stores around the world.

We also have a set of **Values** (not manuals) that guide us and make us a **Great Place to Work**. Using our Values, we work by **Keeping It Simple** - no bureaucracy -- and always being **Straightforward** with our colleagues. We should always be **Cost-Conscious** since we have promised our customers we will offer them the best price. Understanding and living our values is key to creating a working environment where everyone counts, we are **Constantly Improving** and where **Being One Team** leads to long-term success -- for the customer, for you and for H&M.

We also **Believe in People**, which means personal growth and internal development. This is why many of us have been with H&M for years and have worked in a variety of roles. I started with H&M in 1996. Since then, I have held 8 different positions and worked in 4 countries. It has been a very exciting journey and I have learned a lot. My story is just one of the many stories where we have promoted people from within and have given employees new challenges and opportunities.

Your journey has started today. With an **Entrepreneurial Spirit**, jump into your new job, work hard, use common sense, be part of the team and live our Values. Create your own story! We are here to support you.

I look forward to working with you. See you around!



Daniel Kulle
Country Manager



Contents:

What We're All About

- Our Business Idea..... 6
- Our Values..... 7
- Our History..... 8
- ~~H&M~~ Around the World..... 9
- Our Responsibilities..... 10
- Customer Service..... 11

Benefits of Working at ~~H&M~~

- Open Door Policy..... 12
- Growth & Development..... 13
- What Should I Wear Today..... 14
- Work/Life Balance..... 16
- ~~H&M~~CARES♥..... 22

How We Get it Done

- Time Management..... 27
- How We Conduct Ourselves... 30
- Work Relationships..... 31
- Internet and Phones..... 32
- For Your Safety..... 33
- What Does Progressive Discipline Mean..... 34

All the Legal Stuff!

- Laws..... 36
- ~~H&M~~ Policies..... 37



Growth and Development

You are the future of H&M! We are an expanding company with opportunities available for those who have that **Entrepreneurial Spirit!**

We have created a process specifically to identify future talent within H&M. The Internal Promotion Process (IPP) gives you the opportunity to grow into roles like Visual Merchandiser, Department Supervisor, Department Manager, Store Manager and more. See your manager for more details and to discuss which direction you want to take your career.

You own your own development – be our future star!

Store Manager	Expansion Support	District Team
Human Resources	Department Manager	Marketing / PR
Merchandiser	What career paths are you interested in? _____	IT
Loss Prevention		Visual Merchandiser
Logistics	Department Supervisor	District Controller
Regional Team	Support another country	Building Department

If you're a store level manager (exempt or non-exempt) or Department Supervisor you are eligible to receive Holiday Pay from your first day of employment. If you (excluding PT Department Supervisors) work on a Holiday you will be paid straight time and receive an additional paid day off that should be taken within the following 2 weeks (unless otherwise dictated by state law). This also goes for Holiday weeks when the store is closed and the manager is not able to take 2 days off that week. PT Department Supervisors will receive time and a half for all hours worked on a holiday.

Employees "in-training" will receive holiday pay according to the position he/she is training for. And of course, we honor all state and federal guidelines regarding Holiday Pay.

Wellness Days...achooo!

You may have heard these called sick days before but we're trying to help you stay healthy! That's why we want you to be able to take time off not only when you do get sick, but for doctor's visits to prevent illness and to make sure you're taking care of yourself the right way.

So, all exempt and non-exempt FT employees can receive up to 7 Wellness Days per calendar year starting 90 days after you're hired (unless it's superseded by State, County or Municipal law). PT employees qualify for up to 40 hours a year. PT employees receive 1 Wellness hour for every 30 hours worked up to a max of 40 hours a year, starting 90 days after hired. Also, you can take your wellness time in as little as 1 hour increments.

Here are the reasons to use a Wellness Day:

- & Sick days for you and/or a dependent.
- & Healthcare appointments for you and/or your dependent.
- & Emergencies such as hurricanes, blizzards and black-outs.

These are the only reasons to use a Wellness Day – remember, you have paid time off for other reasons – this is to help you stay healthy!

Some other important info:

We can't carry over Wellness Days (unless it's superseded by State, County or Municipal law) – you can't put off being healthy! We also don't pay-out Wellness Days if you leave the company or change status from FT to PT. If you change from FT to PT, you will be eligible for the PT Wellness Day accumulation, 1 wellness hour will be given for every 25 hours worked, based on the date of your status change.



Find it in SIP under Static Documents / H&M Policy 2014/ Pay, Benefits & Travel / Wellness Policy

How many Wellness Days do I get if I started in the middle of the year?

Remember when we talked about that "Calendar Year 0" in the Vacation section? Well, thinking along those lines, depending on when you're hired during the year you'll get a portion of the Wellness Days. Below is a chart to help you figure out how many days you'll receive. This is also for employees who are changing from PT to FT at some point during the year; the amount of days is determined by the date of your status change. For more information on Wellness accrual in regards to status changes (FT to PT, or PT to FT), check out the Policy Book – 2.q Wellness Policy.



Find it in SIP under Static Documents /H&M Policy 2014 / Pay, Benefits and Travel / Wellness Policy.

Start Date	Wellness hours (FT Employees)	Start Date	Wellness hours (PT Supervisors)
Jan 1-31	56	Jan 1-Feb 29	40
Feb 1 -29	48	--	--
Mar 1-31	40	Mar 1-Apr 30	32
Apr 1 - 30	32	--	--
May 1 - June 30	24	May 1 - June 30	24
July 1 - 31	16	July 1 - 31	16
Aug 1 –Sep 30	8	Aug 1 –Sep 30	8
Oct 1 - Dec 31	0	Oct 1 - Dec 31	0

We've been talking about some of the great benefits of working at H&M – like growth and development, being able to dress your own personality, **25% discount in-store and online with FREE shipping!!!**, a healthy work-life balance with Vacation, Holiday and Wellness time and even though that seems like a lot...it's just the tip of the iceberg!

H&M CARES (Benefits)

Listed below are some of the incredible medical and financial programs available! Check out the full H&M Cares sheet on pages 25 and 26.

Options for Full and Part-Time employees:(eligibility requirements may apply)

- & Commuter Benefits – pay for your commute with pre-tax dollars!
- & 5 / 10 / 15 Year Anniversary Program – choose your own gift!
- & Working Advantage – discounts on entertainment events!
- & Pet Insurance
- & My Life Hotline (EAP) – turn to the next page for more info on this topic.
- & H&M Incentive Plan (HIP/ESOP)
- & 401K - generous company match!



Find it in SIP under Static Documents /Benefits / Retirement Plan / 401K Instructions for New Participants.

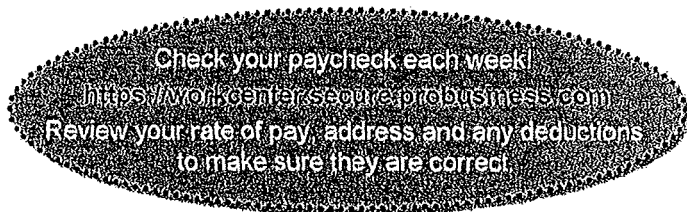
How We Get It Done

We need to make sure we Keep it Simple with our resources of time and talent. In this section you'll see how we manage time and Constantly Improve ourselves to get things done.

Time to reap the rewards of all that hard work! First, you need to know how we calculate our work week: each work week is 7 days, beginning on Sunday (12:01am) and ending on Saturday (12:00am). We're paid on a biweekly schedule, every other Friday for the previous 2 weeks (except in RI and NH). We want to make sure that everyone is paid for the work they do, so you should always review the accuracy of your hours and online pay stubs.

Any status changes should be done the start of the pay cycle (first Sunday). i.e. If paydate is December 26th, the start of the new cycle is December 7th. The Annual Payroll Schedule can be found on SIP, under Payroll.

You have 90 days from any change in pay to ensure your rate is correct. H&M will not back pay more than 3 months from the effective date. i.e. Employee A had a rate change effective 08/04/2014 which was processed on 12/09/2014. we would only pay from 09/08, the closest Sunday 3 months from 12/09. H&M will also not be able to back pay from one calendar year to the next. This means in January we cannot adjust anything from the previous year. Any discrepancy with your check will reflect during the following pay period. No adjustments are made outside of the scheduled pay period.



If you have a question or concern about your pay, you should first partner with your manager, then the Payroll Department or an HR representative (remember our Open Door Policy).

All employees must sign up for Direct Deposit or Pay Card to be paid – H&M reserves the right to enroll an employee for the Pay Card program.

In order to be paid for your work you need to "clock in" using our time tracking system, which is a biometric finger scan called S.T.A.R. This scan is not a fingerprint and your information is only used for the timekeeping process. You'll need to clock in and out at the beginning and end of your shift and on your unpaid breaks; you can only do this yourself, not for other employees. The Store Manager or Direct Supervisor is responsible for approving all paid and unpaid time. Not following this process may result in disciplinary action, but employee will still be paid. Managers and employees must not alter, change or delete timesheets so they do not match actual hours worked.



Find it in SIP under Static Documents / H&M Policy 2014/ Pay, Benefits & Travel / Timekeeping Policy

In the unlikely event that we have to close our stores or offices due to emergency circumstances like weather or natural disaster, the following applies:

Non-exempt employees: If this happens and you're at work or show up to work, you'll receive pay for your entire shift. If you don't make it in and you're scheduled, you can use wellness days or available vacation time.

Exempt employees: You will be paid if you're scheduled to work whether or not you are present. Employees should use vacation or wellness time first.

We reserve the right to change the process discussed based on business needs. These processes are in accordance with state laws which may require additional steps, as well as the Fair Labor Standards Act (Legal Stuff).

Your Schedule

Just like requesting vacation time, if you would like to request a particular day off of work as part of your normal 2 days off, you need to fill out a TAFW (Time Away From Work) form 4 weeks prior to the date you'll need off. If you didn't find out you needed a day off until the last minute (we've all been there), you can ask one of your co-workers to fulfill your scheduled shift by filling out the Shift Change Request form and confirming the change with your manager by having them sign the form. This may also be available online using STAR/ETM for some locations. Note that full shifts must be cancelled by 8pm the day prior, at the latest. It's the store's responsibility to let you know about any schedule changes. If a manager doesn't speak with you directly and you show up, you have the right to work the scheduled shift and be paid for that shift.

Break Time!

We work smart and ~~hard~~ at H&M! Breaks and meals are an important and necessary part of the work day. Basically we get 15 minute paid breaks (SCORE!) and 30 or 60 minute unpaid breaks (SWEET!). (State laws are incorporated). Here's the rundown:

- & You get a 15 minute break for working 0-5 hours.
- & You get a 15 and a 30 minute break for working 5:01-7 hours.
- & You get a 15 and a 60 minute break for working 7:01-9 hours.
- & After 9 hours you receive a 15 minute break after every 2nd hour.
- & Employees are expected to take all required breaks and lunches. Additional time is not permitted. This applies to all non-exempt employees.
- & Paid breaks cannot be added to unpaid breaks. i.e. an employee cannot take a 30 minute lunch and then a 15minute break right after.



Find it in SIP under Static Documents / H&M Policy 2014 / Pay, Benefits & Travel / Scheduling Policy.
State specific break policies may

When you can't make it to work...

Since **We Are One Team**, when one of us isn't on time or "calls out" it affects everyone. You know how it feels when you want to go to lunch and the person scheduled to relieve you is late – so don't be that person. That being said, if you do have a situation when you will be late or not be able to fulfill your shift, there are a few things that you need to know and do.

For Your Safety...

Drug Free Work Environment:

We're committed to maintaining an alcohol/drug free workplace for you and your co-workers. The impact of alcohol, illegal or unauthorized drugs (including prescription or over the counter medications) on employee productivity, performance and safety is not compatible with our Values, Business Idea and responsibility to our employee's and customer's safety. It's not ok to possess, sell, purchase, manufacture or be under the influence of an illegal or unauthorized drug or other intoxicant while on H&M premises or while performing duties on behalf of H&M (H&M reserves the right to enhance its drug and alcohol policies).

For your safety and that of our customers, if you are taking prescribed or over the counter medication that may affect your ability to work safely you need to report it to your manager. Your work may be reassigned for the time you are taking the medication.

Alcohol and drug abuse may be part of an underlying illness; LAP (Employee Assistance Program - see Benefits) is available to all employees for help and advice.

Workplace Violence:

Acts of violence or aggression against employees, customers or any other individual on H&M property will not be tolerated. Notify your manager of any threats that you've witnessed or received or have been told about by another person (Open Door policy). All reports of workplace violence will be investigated and kept confidential to the extent possible. H&M will not retaliate against (penalize) employees for reporting any acts of violence.

Entering/Leaving the Store:

There must always be two employees present in the store at all times; if this is not possible, Security must be contacted. You'll need to use the designated staff entrance when entering or leaving the building for work. All bags/packages and outerwear must be checked before exiting the building. You should only be in the "employee only" areas when you're arriving to work, leaving after finishing a shift, or on a scheduled break.

Emergency Closings:

H&M stores and offices will remain open unless extreme circumstances exist. You are expected to report to work unless a location is closed. We urge you to consider whether you can commute to work safely in extreme circumstances, such as weather or natural disaster. Reference the Payday section for pay information for Emergency Closings. All emergency closings will be dealt with on a case by case basis, and employees may be eligible for pay during the time that their store is closed.

Locker checks:

Locker space and locks are provided to you to secure your personal property - only company supplied locks should be used. Random locker checks will happen. We will not be liable for personal property — so lock it up!



Find it in SIP under Static Documents / H&M Policy 2014 / Health, Safety & Security

Video Monitoring Policy

To maximize the safety and well-being of our employees, customers and product we may monitor the work environment. Video and digital cameras may be used to monitor warehouses, stores, offices and all other non-restroom and non-changing rooms on company property, both in and outside. You are requested to acknowledge that you are aware of and have consented to the video monitoring practices of H&M by signing the Acknowledgement form. Tampering with any video monitoring systems is prohibited.

Non-Solicitation/Distribution

Employees may not engage in the distribution of literature on behalf of themselves or third parties during working time or in working areas. Also, employees may not engage in solicitation on behalf of themselves or third parties when either the employee doing the soliciting, or the employee being solicited, is on working time. In addition, employees may not engage in solicitation on behalf of themselves or third parties in selling areas of the store when the store is open to customers. Non-employees are prohibited from engaging in solicitation or the distribution of literature at all times in H&M stores and facilities.

Access to Employee file

Any employee may review the contents of their employee file after requesting to do so, giving reasonable notice, to their manager. The manager will set up a time that is convenient for both parties to review the file. Employees can have copies of any paperwork that they sign (performance reviews, corrective actions, documentations). For copies of other documents, partner with a District Manager for state specific laws.

Press and Other Outside Inquiries

Please refer all questions or requests that any member of the press may have to the Communications Department in the Support Office to ensure an accurate response.

Refer to SIP for information on who to contact for information or notices from government agencies or legal counsel.

All requests for information about current or former employees should be referred to The Work Number; this information should not be communicated by employees working in a store. The responses will be limited to information about title and dates of employment. If an employee wants further information to be released they must complete and submit an Authorization to Release Employment Information form to The Work Number.

Support Office Phone #:	1-212-564-9922
The Work Number:	1-800-367-2884
Theworknumber.com	Employer Code: 14339
<small>For employment and salary verification.</small>	

H&M CARES

about...***YOU!!!!***

Support Book



$\Delta \pi$ EXHIBIT 107

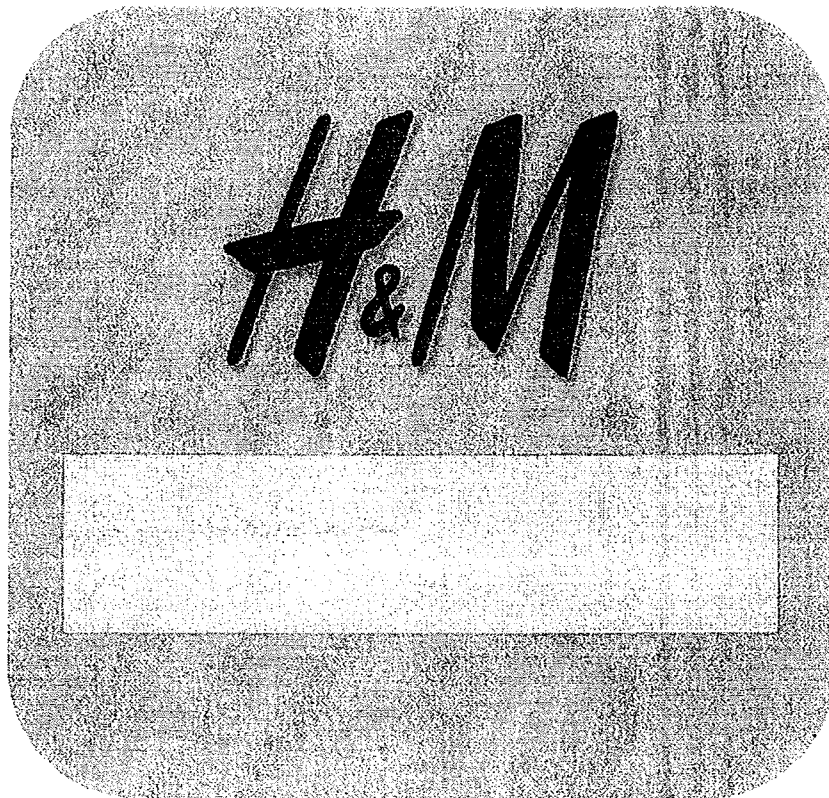
Deponent May

Date 11-1-16 Rpt. McLary

WWW.DEPOBOOK.COM

H&M000305

Write your name on your badge!



Revised November 2013

H&M000306

107-2

To all  employees:

I want to personally welcome you to **H&M**!

We are a fast-growing fashion retailer in North America. During our first 13 years in the US, we have opened over 300 stores in 35 states and launched Online. We are very proud of this achievement and expect more to come. We have the ambition to continue our fast-paced growth in the coming years and need people who are highly motivated to make this happen.

H&M has a strong business concept --to offer "**fashion and quality at the best price**", an idea that works successfully in all of our 50 countries around the world.

We also have a set of **Values** (not manuals) that guide us and make us a **Great Place to Work**. Using our Values, we work by **Keeping It Simple** - no bureaucracy - and always being **Straightforward** with our colleagues. We should always be **Cost-Conscious** since we have promised our customers we will offer them the best price. Understanding and living our values is key to creating a working environment where everyone counts, we are **Constantly Improving** and where **Being One Team** leads to long-term success -- for the customer, for you and for H&M.

We also **Believe in People**, which means personal growth and internal development. This is why many of us have been with H&M for years and have worked in a variety of roles. I started with H&M in 1996. Since then, I have held 8 different positions and worked in 4 countries. It has been a very exciting journey and I have learned a lot. My story is just one of the many stories where we have promoted people from within and have given employees new challenges and opportunities.

Your journey has started today. With an **Entrepreneurial Spirit**, jump into your new job, work hard, use common sense, be part of the team and live our Values. Create your own story! We are here to support you.

I look forward to working with you. See you around!



Daniel Kulle
Country Manager



Contents:

What We're All About

- Our Business Idea..... 6
- Our Values..... 7
- Our History..... 8
- **H&M** Around the World..... 9
- Our Responsibilities..... 10
- Customer Service..... 11

Benefits of Working at **H&M**

- Open Door Policy..... 12
- Growth & Development..... 13
- What Should I Wear Today.... 14
- Work/Life Balance..... 16
- **H&M CARES**..... 22

How We Get it Done

- Time Management..... 25
- How We Conduct Ourselves.. 28
- Work Relationships..... 29
- Internet and Phones..... 30
- For Your Safety..... 31
- What Does Progressive Discipline Mean..... 32

All the Legal Stuff!

- Laws..... 34
- **H&M** Policies..... 35



Growth and Development

You are the future of H&M! We are an expanding company with opportunities available for those who have that **Entrepreneurial Spirit!**

We have created a process specifically to identify future talent within H&M. The Internal Promotion Process (IPP) gives you the opportunity to grow into roles like Visual Merchandiser, Department Supervisor, Department Manager, Store Manager and more. See your manager for more details and to discuss which direction you want to take your career.

You own your own development – be our future star!

Store Manager	Expansion Support	District Team
Human Resources	Department Manager	Marketing / PR
Merchandiser	What career paths are you interested in? _____	IT
Loss Prevention		Visual Merchandiser
Logistics	Department Supervisor	District Controller
Regional Team	Support another country	Building Department

If you're a store level manager (exempt or non-exempt) or Department Supervisor you are eligible to receive Holiday Pay from your first day of employment. If you (excluding PT Department Supervisors) work on a Holiday you will be paid straight time and receive an additional paid day off that should be taken within the following 2 weeks (unless otherwise dictated by state law). This also goes for Holiday weeks when the store is closed and the manager is not able to take 2 days off that week. PT Department Supervisors will receive time and a half for all hours worked on a holiday.

Employees "in-training" will receive holiday pay according to the position he/she is training for. And of course, we honor all state and federal guidelines regarding Holiday Pay.

Wellness Days...achooo!

You may have heard these called sick days before but we're trying to help you stay healthy! That's why we want you to be able to take time off not only when you do get sick, but for doctor's visits to prevent illness and to make sure you're taking care of yourself the right way.

So, all exempt and non-exempt FT employees can receive up to 7 Wellness Days per calendar year starting 90 days after you're hired (unless it's superseded by State, County or Municipal law). PT employees qualify for up to 40 hours a year. PT employees receive 1 Wellness hour for every 30 hours worked up to a max of 40 hours a year, starting 90 days after hired. Also, you can take your wellness time in as little as 1 hour increments.

Here are the reasons to use a Wellness Day:

- & Sick days for you and/or a dependent.
- & Healthcare appointments for you and/or your dependent.
- & Emergencies such as hurricanes, blizzards and black-outs.

These are the only reasons to use a Wellness Day -- remember, you have paid time off for other reasons -- this is to help you stay healthy!

Some other important info:

We can't carry over Wellness Days (unless it's superseded by State, County or Municipal law) -- you can't put off being healthy! We also don't pay-out Wellness Days if you leave the company or change status from FT to PT. If you change from FT to PT, you will be eligible for the PT Wellness Day accumulation, 1 wellness hour will be given for every 30 hours worked, based on the date of your status change.



Find it in SAP under State Documents / H&M Policy 2014/ Pay, Benefits & Travel / Wellness Policy

How many Wellness Days do I get if I started in the middle of the year?

Remember when we talked about that "Calendar Year 0" in the Vacation section? Well, thinking along those lines, depending on when you're hired during the year you'll get a portion of the Wellness Days. Below is a chart to help you figure out how many days you'll receive. This is also for employees who are changing from PT to FT at some point during the year; the amount of days is determined by the date of your status change. For more information on Wellness accrual in regards to status changes (FT to PT, or PT to FT), check out the Policy Book - 2.q Wellness Policy.



Find it in SIP under Static Documents / H&M Policy 2014 / Pay, Benefits and Travel / Wellness Policy.

Start Date	Wellness Days (FT Employees)
Jan 1-31	7
Feb 1-29	6
Mar 1-31	5
Apr 1-30	4
May 1 - June 30	3
July 1-31	2
Aug 1-31	1
Sep 1- Dec 31	0

We've been talking about some of the great benefits of working at H&M - like growth and development, being able to dress your own personality, **25% discount in-store and online with FREE shipping!!!**, a healthy work-life balance with Vacation, Holiday and Wellness time and even though that seems like a lot...it's just the tip of the iceberg!

H&M CARES (Benefits)

Listed below are some of the incredible medical and financial programs available!

Options for Full and Part-Time employees:(eligibility requirements may apply)

- & Commuter Benefits - pay for your commute with pre-tax dollars!
- & 5 / 10 / 15 Year Anniversary Program - choose your own gift!
- & Working Advantage - discounts on entertainment events!
- & Pet Insurance
- & My Life Hotline (EAP) - turn to the next page for more info on this topic.
- & Employee Stock Ownership Plan
- & 401K - generous company match!



Find it in SIP under Static Documents - /Benefits / Retirement Plan / 401K Instructions for New Participants.

How We Get It Done

We need to make sure we Keep it Simple with our resources of time and talent. In this section you'll see how we manage time and Constantly Improve ourselves to get things done.

Time to reap the rewards of all that hard work! First, you need to know how we calculate our work week: each work week is 7 days, beginning on Sunday (12:01am) and ending on Saturday (12:00am). We're paid on a biweekly schedule, every other Friday for the previous 2 weeks (except in RI and NH). We want to make sure that everyone is paid for the work they do, so you should always review the accuracy of your hours and online pay stubs. You have 90 days from any change in pay to ensure your rate is correct. H&M will not back pay more than 3 months from the effective date and will not be able to back pay from one calendar year to the next. This means in January we cannot adjust anything from the previous year. Any discrepancy with your check will reflect during the following pay period. No adjustments are made outside of the scheduled pay period.



<https://workcenter.secure.probusiness.com>

If you have a question or concern about your pay, you should first partner with your manager, then the Payroll Department or an HR representative (remember our Open Door Policy).

All employees must sign up for Direct Deposit or Pay Card to be paid -- H&M reserves the right to enroll an employee for the Pay Card program.

In order to be paid for your work you need to "clock in" using our time tracking system, which is a biometric finger scan called S.T.A.R. This scan is not a fingerprint and your information is only used for the timekeeping process. You'll need to clock in and out at the beginning and end of your shift and on your unpaid breaks; you can only do this yourself, not for other employees. The Store Manager or Direct Supervisor is responsible for approving all paid and unpaid time. Not following this process may result in disciplinary action, but employee will still be paid.

In the unlikely event that we have to close our stores or offices due to emergency circumstances like weather or natural disaster, the following applies:

Non-exempt employees: If this happens and you're at work or show up to work, you'll receive pay for your entire shift. If you don't make it in and you're scheduled, you can use wellness days or available vacation time.

Exempt employees: You will be paid if you're scheduled to work whether or not you are present. Employees should use vacation or wellness time first.

We reserve the right to change the process discussed based on business needs. These processes are in accordance with state laws which may require additional steps, as well as the Fair Labor Standards Act (Legal Stuff).



Part 1: 3 P's: 1. Store Operations / H&M Policy 1014 / Pay, Bonus/Paid, Travel / Timekeeping Policy

Your Schedule

Just like requesting vacation time, if you would like to request a particular day off of work as part of your normal 2 days off, you need to fill out a TAFW (Time Away From Work) form 4 weeks prior to the date you'll need off. If you didn't find out you needed a day off until the last minute (we've all been there), you can ask one of your co-workers to fulfill your scheduled shift by filling out the Shift Change Request form and confirming the change with your manager by having them sign the form. This may also be available online using STAR/ETM for some locations.

Break Time!

We work smart and hard at H&M! Breaks and meals are an important and necessary part of the work day. Basically we get 15 minute paid breaks (SCORE!) and 30 or 60 minute unpaid breaks (SWEET!). (State laws are incorporated). Here's the rundown:

- & You get a 15 minute break for working 0-5 hours.
- & You get a 15 and a 30 minute break for working 5:01-7 hours.
- & You get a 15 and a 60 minute break for working 7:01-9 hours.
- & After 9 hours you receive a 15 minute break after every 2nd hour.



Find it in SIP under Static Documents / H&M Policy 2014 / Pay, Benefits & Travel / Scheduling Policy.
State specific break policies may vary.

When you can't make it to work...

Since **We Are One Team**, when one of us isn't on time or "calls out" it affects everyone. You know how it feels when you want to go to lunch and the person scheduled to relieve you is late – so don't be that person. That being said, if you do have a situation when you will be late or not be able to fulfill your shift, there are a few things that you need to know and do. First, here's what we consider being late/tardy or missing a shift:

- & You are considered late/tardy when you're not clocked in and ready to work at your scheduled time.
- & You are considered absent when you don't fulfill your shift; either because you don't work at all or you don't complete the shift. If you need to leave before your shift is completed, you are responsible for telling a manager you need to leave.
- & Your absence is unexcused when your manager is not informed that you can't make it to work or that you'll be leaving early. This happens if you didn't "call out" minimally 2 hours before your shift or as early as possible for an opening shift.
 - Please bring in a doctor's note if you're out for more than 3 consecutive shifts. Based on your attendance, your manager can also ask for a doctor's note even if you've been out less than 3 consecutive shifts. Keep in mind that a note doesn't always qualify you for an excused absence. (Unless it's an FMLA qualifying absence).



Find it in SIP under Static Documents / H&M Policy 2014 / Pay, Benefits & Travel / Wellness Policy

For Your Safety...

Drug Free Work Environment:

We're committed to maintaining an alcohol/drug free workplace for you and your co-workers. The impact of alcohol, illegal or unauthorized drugs (including prescription or over the counter medications) on employee productivity, performance and safety is not compatible with our Values, Business Idea and responsibility to our employee's and customer's safety. It's not ok to possess, sell, purchase, manufacture or be under the influence of an illegal or unauthorized drug or other intoxicant while on H&M premises or while performing duties on behalf of H&M (H&M reserves the right to enhance its drug and alcohol policies).

For your safety and that of our customers, if you are taking prescribed or over the counter medication that may affect your ability to work safely you need to report it to your manager. Your work may be reassigned for the time you are taking the medication.

Alcohol and drug abuse may be part of an underlying illness; LAP (Employee Assistance Program - see Benefits) is available to all employees for help and advice.

Workplace Violence:

Acts of violence or aggression against employees, customers or any other individual on H&M property will not be tolerated. Notify your manager of any threats that you've witnessed or received or have been told about by another person (Open Door policy). All reports of workplace violence will be investigated and kept confidential to the extent possible. H&M will not retaliate against (penalize) employees for reporting any acts of violence.

Entering/Leaving the Store:

There must always be two employees present in the store at all times; if this is not possible, Security must be contacted. You'll need to use the designated staff entrance when entering or leaving the building for work. All bags/packages and outerwear must be checked before exiting the building. You should only be in the "employee only" areas when you're arriving to work, leaving after finishing a shift, or on a scheduled break.

Emergency Closings:

H&M stores and offices will remain open unless extreme circumstances exist. You are expected to report to work unless a location is closed. We urge you to consider whether you can commute to work safely in extreme circumstances, such as weather or natural disaster. Reference the Payday section for pay information for Emergency Closings. All emergency closings will be dealt with on a case by case basis, and employees may be eligible for pay during the time that their store is closed.

Locker checks:

Locker space and locks are provided to you to secure your personal property - only company supplied locks should be used. Random locker checks will happen. We will not be liable for personal property - so lock it up!



Video Monitoring Policy

To maximize the safety and well-being of our employees, customers and product we may monitor the work environment. Video and digital cameras may be used to monitor warehouses, stores, offices and all other non-restroom and non-changing rooms on company property, both in and outside. You are requested to acknowledge that you are aware of and have consented to the video monitoring practices of H&M by signing the Acknowledgement form. Tampering with any video monitoring systems is prohibited.

Non-Solicitation/Distribution

Employees may not engage in the distribution of literature on behalf of themselves or third parties during working time or in working areas. Also, employees may not engage in solicitation on behalf of themselves or third parties when either the employee doing the soliciting, or the employee being solicited, is on working time. In addition, employees may not engage in solicitation on behalf of themselves or third parties in selling areas of the store when the store is open to customers. Non-employees are prohibited from engaging in solicitation or the distribution of literature at all times in H&M stores and facilities.

Access to Employee file

Any employee may review the contents of their employee file after requesting to do so, giving reasonable notice, to their manager. The manager will set up a time that is convenient for both parties to review the file. Employees can have copies of any paperwork that they sign (performance reviews, corrective actions, documentations). For copies of other documents, partner with a District Manager for state specific laws.

Press and Other Outside Inquiries

Please refer all questions or requests that any member of the press may have to the Communications Department in the Support Office to ensure an accurate response.

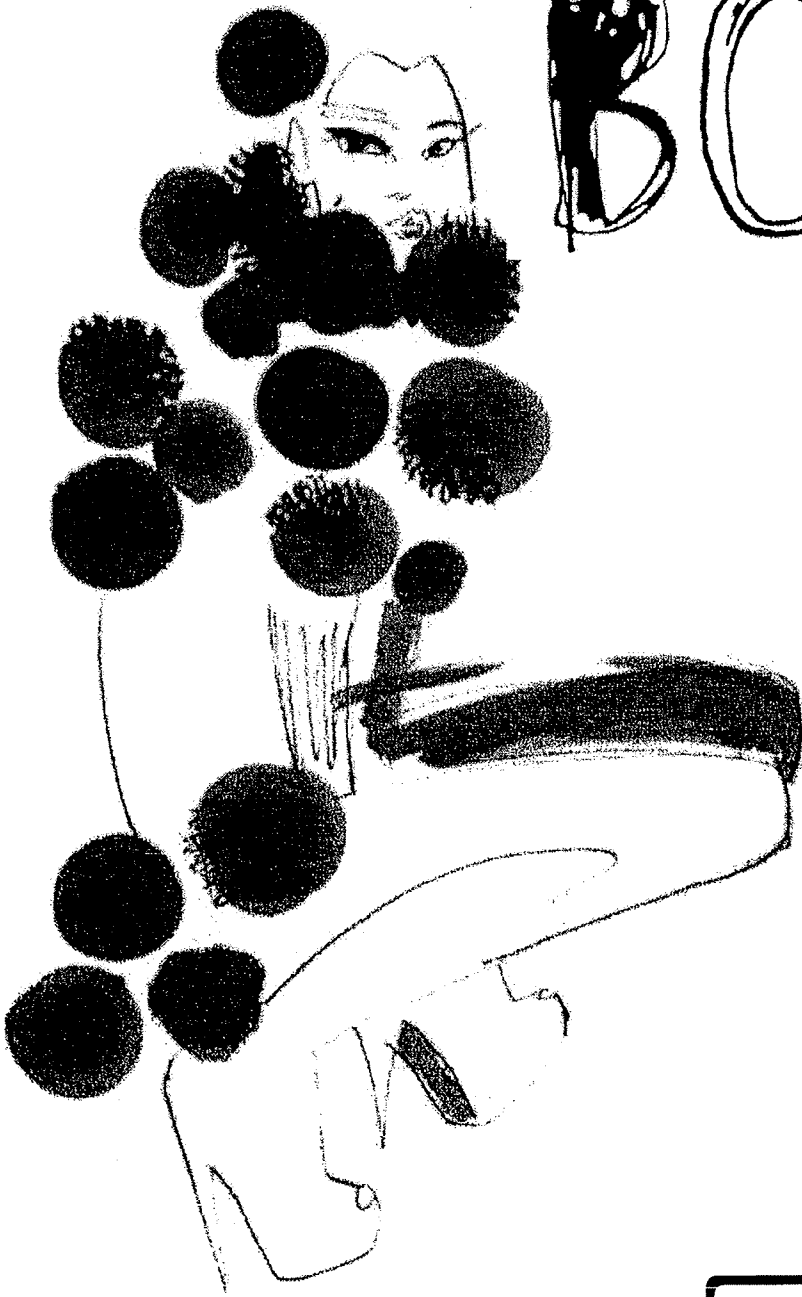
Refer to SIP for information on who to contact for information or notices from government agencies or legal counsel.

All requests for information about current or former employees should be referred to The Work Number; this information should not be communicated by employees working in a store. The responses will be limited to information about title and dates of employment. If an employee wants further information to be released they must complete and submit an Authorization to Release Employment Information form to The Work Number.

Support Office Phone #:	1-212-564-9922
The Work Number:	1-800-367-2884
Theworknumber.com	Employer Code: 14339
<small>For employment and salary verification.</small>	

SUPPORT

BOOK

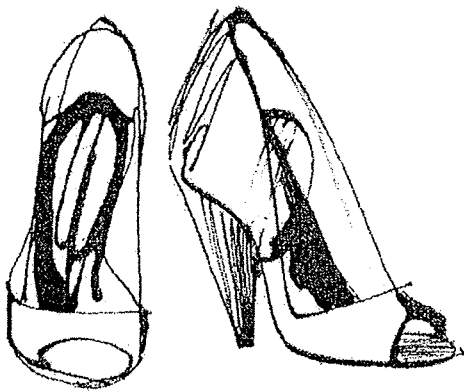


H&M

$\Delta \pi$ EXHIBIT 108	
Deponent	<i>May</i>
Date	<i>11-1-16</i>
	<i>McLary</i>
	Rpt.
WWW.DEFOBOOK.COM	

H&M000345

Write your name on your badge!



Revised January 2012

H&M000346

108-2



To all H&M employees:

I want to personally welcome you to H&M!

We are a fast-growing fashion retailer in North America. During our first 10 years in the US, we opened 200 stores with sales of \$1 billion dollars. We are very proud of this achievement and expect more to come. We have the ambition to continue our fast-paced growth in the coming years and need people who are highly motivated to make this happen.

H&M is successful because of our strong business concept --to offer **"fashion and quality at the best price"**.

We also have a set of values (not manuals) that guide us. We want to work in a simple way - no bureaucracy. We should always be cost conscious since we have promised our customers we will offer them the best price. Understanding and living our values is key to creating a working environment where everyone counts and where teamwork leads to long-term success -- for the customer, for you and for H&M.

We also believe in personal growth and internal development. This is why many of us have been with H&M for years and have worked in a variety of roles. I started with H&M in 1996. Since then, I have held 8 different positions and worked in 4 countries. It has been a very exciting journey and I have learned a lot. My story is just one of the many stories where we have promoted from within and have given employees new challenges and opportunities.

Your journey has started today. Jump into your new job, work hard, use common sense, be part of the team and live our values. Create your own story! We are here to support you.

I look forward to working with you. See you around!

A handwritten signature in black ink, appearing to read 'Daniel Kulle', with a long horizontal line extending to the right.

Daniel Kulle
Country Manager

Contents:

★ **What We're All About**

& Our Business Idea.....	6
& Our Values.....	7
& Our History.....	8
& H&M Around the World.....	9
& Our Responsibilities.....	10
& Customer Service.....	11

★ **Benefits of Working at H&M**

& Open Door Policy.....	12
& Growth & Development.....	13
& What Should I Wear Today?.....	14
& Work/Life Balance.....	16
& Health Benefits.....	22

★ **How We Get it Done**

& Time Management.....	25
& How We Conduct Ourselves.....	28
& Work Relationships.....	29
& Internet and Phones.....	30
& For Your Safety.....	31
& What Does Progressive Discipline Mean?.....	32

★ **All the Legal Stuff!**

& Laws.....	34
& H&M Policies.....	35



Growth and Development

You are the future of H&M! We are an expanding company with opportunities available for those who have that **Entrepreneurial Spirit!**

We have created a process specifically to identify future talent within H&M. The Internal Promotion Process (IPP) gives you the opportunity to grow into roles like Visual Merchandiser, Department Supervisor, Department Manager, Store Manager and more. See your manager for more details and to discuss which direction you want to take your career.

You own your own development – be our future star!



Store Manager	Expansion Support	District Team
Human Resources	Department Manager	Marketing / PR
Merchandiser	What career paths are you interested in? _____	IT
Loss Prevention		Visual Merchandiser
Logistics	Department Supervisor	District Controller
Regional Team	Support another country	Building Department



If you're a store level manager (exempt or non-exempt) or Department Supervisor you are eligible to receive Holiday Pay from your first day of employment. If you (excluding PT Department Supervisors) work on a Holiday you will be paid straight time and receive an additional paid day off that should be taken within the following 2 weeks (unless otherwise dictated by state law). This also goes for Holiday weeks when the store is closed and the manager is not able to take 2 days off that week. PT Department Supervisors will receive time and a half for all hours worked on a holiday.

Employees "in-training" will receive holiday pay according to the position he/she is training for. And of course, we honor all state and federal guidelines regarding Holiday Pay.

Wellness Days...achooo!

You may have heard these called sick days before but we're trying to help you stay healthy! That's why we want you to be able to take time off not only when you do get sick, but for doctor's visits to prevent illness and to make sure you're taking care of yourself the right way.

So, all exempt and non-exempt FT employees can receive up to 7 Wellness Days per calendar year starting 90 days after you're hired (unless it's superseded by State, County or Municipal law). ~~PT Department Supervisors~~ PT Department Supervisors qualify for up to 3 days a year. Also, you can take your wellness time in as little as 1 hour increments.

Here are the reasons to use a Wellness Day:

- & Sick days for you and/or a dependent.
- & Healthcare appointments for you and/or your dependent.
- & Emergencies such as hurricanes, blizzards and black-outs.



These are the only reasons to use a Wellness Day – remember, you have paid time off for other reasons – this is to help you stay healthy!

Some other important info:

We can't carry over Wellness Days – you can't put off being healthy! We also don't pay-out Wellness Days if you leave the company or change status from FT to PT. If you change from FT to PT, you will no longer be eligible for Wellness Days (unless you're a PT Department Supervisor).



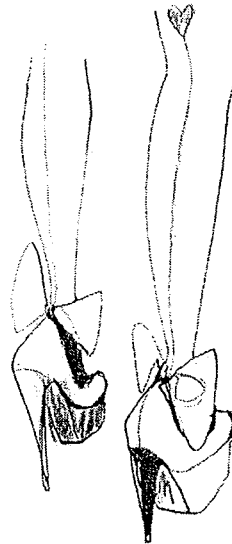
More details on H&M's Wellness Policy can be found in SIP.



How many Wellness Days do I get if I started in the middle of the year?

Remember when we talked about that "Calendar Year 0" in the Vacation section? Well, in thinking along those lines, depending on when you're hired during the year you'll get a portion of the Wellness Days. Below is a chart to help you figure out how many days you will receive. This is also for employees who are changing from PT to FT at some point during the year; the amount of days is determined by the date of your status change.

Start Date	Wellness Days (FT Employees)	Wellness Days (PT Dept Sup)
Jan 1-31	7	3
Feb 1-29	6	3
Mar 1-31	5	2
Apr 1-30	4	2
May 1 - June 30	3	1
July 1 - 31	2	1
Aug 1 -31	1	1
Sep 1 - Dec 31	0	0



We've been talking about some of the great benefits of working at H&M – like growth and development, being able to dress your own personality, 25% discount!!!, a healthy work-life balance with Vacation, Holiday and Wellness time and even though that seems like a lot...it's just the tip of the iceberg!

Health Benefits

Listed below are some of the incredible medical and financial programs available – go to the benefits website for more details!

Options for Full and Part-Time employees:

- & 401K - generous company match!
- & Commuter Benefits – pay for your commute with pre-tax dollars!
- & 5 and 10 Year Anniversary Program – choose your own gift!
- & Working Advantage – discounts on entertainment events!
- & Pet Insurance
- & EAP – turn to the next page for more info on this topic.



Refer to SIP for complete Benefit Enrollment information. A copy can also be found in your Growth Guide folder. Enrollment deadlines are key!

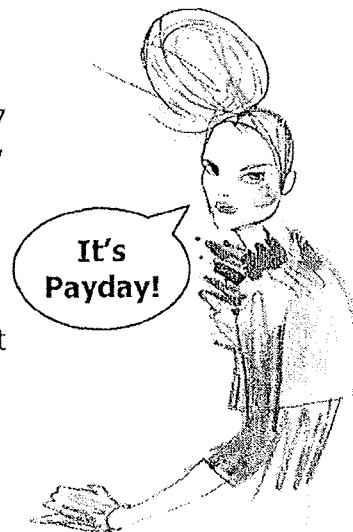


How We Get It Done

We need to make sure we Keep it Simple with our resources of time and talent. In this section you'll see how we manage time and Constantly Improve ourselves to get things done.

Time to reap the rewards of all that hard work! First, you need to know how we calculate our work week: each work week is 7 days, beginning on Sunday (12:01am) and ending on Saturday (12:00am). We're paid on a biweekly schedule, every other Friday for the previous 2 weeks (except in RI and NH).

We want to make sure that everyone is paid for the work they do, so you should always review the accuracy of your hours and online pay stubs. If you have a question or concern about your pay, you can partner with your manager, the Payroll Department or an HR representative (remember our Open Door Policy). All employees must sign up for Direct Deposit or Pay Card to be paid – H&M reserves the right to enroll for Pay Card.



In order to be paid for your work you need to "clock in" using our time tracking system, which is a biometric finger scan called S.T.A.R. This scan is not a fingerprint and your information is only used for the timekeeping process. You'll need to clock in and out at the beginning and end of your shift and on your unpaid breaks; you can only do this yourself, not for other employees. The Store Manager or Direct Supervisor is responsible for approving all paid and unpaid time. Not following this process may result in disciplinary action, but employee will still be paid.

In the unlikely event that we have to close our stores or offices due to emergency circumstances like weather or natural disaster, the following applies:

For non-exempt employees: If this happens and you're at work or show up to work, you'll receive pay for your entire shift. If you don't make it in and you're scheduled, you can use wellness days.

For exempt employees: You will be paid if you're scheduled to work whether or not you are present.

We reserve the right to change the process discussed based on business needs. These processes are in accordance with state laws which may require additional steps, as well as the Fair Labor Standards Act (Legal Stuff).



More details on H&M's Payroll and Timekeeping Policies can be found in SIP.



Your Schedule

Just like requesting vacation time, if you would like to request a particular day off of work as part of your normal 2 days off, you need to fill out a TAFW (Time Away From Work) form 4 weeks prior to the date you'll need off. If you didn't find out you needed a day off until the last minute (we've all been there), you can ask one of your co-workers to fulfill your scheduled shift by filling out the Shift Change Request form and confirming the change with your manager by having them sign the form.

Break Time!

We work smart and hard at H&M! Breaks and meals are an important and necessary part of the work day. Basically we get 15 minute paid breaks (SCORE!) and 30 or 60 minute unpaid breaks (SWEET!). (State laws are incorporated). Here's the rundown:

- & You get a 15 minute break for working 0-5 hours.
- & You get a 15 and a 30 minute break for working 5:01-7 hours.
- & You get a 15 and a 60 minute break for working 7:01-9 hours.
- & After 9 hours you receive a 15 minute break after every 2nd hour.



More details on H&M's Scheduling Policy can be found in SIP.

When you can't make it to work...

Since **We Are One Team**, when one of us isn't on time or "calls out" it affects everyone. You know how it feels when you want to go to lunch and the person scheduled to relieve you is late – so don't be that person. That being said, if you do have a situation when you will be late or not be able to fulfill your shift, there are a few things that you need to know and do. First, here's what we consider being late/tardy or missing a shift:

- & You are considered late/tardy when you're not clocked in and ready to work at your scheduled time.
- & You are considered absent when you don't fulfill your shift; either because you don't work at all or you don't complete the shift. If you need to leave before your shift is completed, you are responsible for telling a manager you need to leave.

Your absence is unexcused when your manager is not informed that you can't make it to work or that you'll be leaving early. This happens if you didn't "call out" minimally 2 hours before your shift or just didn't show up (not showing up is called a No Call No Show (NCNS)).

- Please bring in a doctor's note if you're out for more than 3 consecutive shifts. Based on your attendance, your manager can also ask for a doctor's note even if you've been out less than 3 consecutive shifts. Keep in mind that a note doesn't always qualify you for an excused absence. (Unless it's an FMLA qualifying absence).



More details on H&M's Progressive Discipline & Wellness policies can be found in SIP.



How we Get it Done

26

H&M000370

108-9

For Your Safety...

Drug Free Work Environment:

We're committed to maintaining an alcohol/drug free workplace for you and your co-workers. The impact of alcohol, illegal or unauthorized drugs (including prescription or over the counter medications) on employee productivity, performance and safety is not compatible with our Values, Business Idea and responsibility to our employee's and customer's safety. It's not ok to possess, sell, purchase, manufacture or be under the influence of an illegal or unauthorized drug or other intoxicant while on H&M premises or while performing duties on behalf of H&M.

For your safety and that of our customers, if you are taking prescribed or over the counter medication that may affect your ability to work safely you need to report it to your manager. Your work may be reassigned for the time you are taking the medication.

Alcohol and drug abuse may be part of an underlying illness; EAP (Employee Assistance Program - see Benefits) is available to all employees for help and advice.

Workplace Violence:

Acts of violence or aggression against employees, customers or any other individual on H&M property will not be tolerated. Notify your manager of any threats that you've witnessed or received or have been told about by another person (Open Door policy). All reports of workplace violence will be investigated and kept confidential to the extent possible. H&M will not retaliate against (penalize) employees for reporting any acts of violence.

Entering/Leaving the Store:

There must always be two employees present in the store at all times; if this is not possible, Security must be contacted. You'll need to use the designated staff entrance when entering or leaving the building for work. All bags/packages and outerwear must be checked before exiting the building. You should only be in the "employee only" areas when you're arriving to work, leaving after finishing a shift, or on a scheduled break.

Emergency Closings:

H&M stores and offices will remain open unless extreme circumstances exist. You are expected to report to work unless a location is closed. We urge you to consider whether you can commute to work safely in extreme circumstances, such as weather or natural disaster. Reference the Payday section for pay information for Emergency Closings.

Locker checks:

Lockers and locks are provided to you to secure your personal property - only company supplied locks should be used. Random locker checks will happen. We will not be liable for unsecured personal property – so lock it up!



More information can be found on the H&M Health, Safety and Security Policies in SIP.



Video Monitoring Policy

To maximize the safety and well-being of our employees, customers and product we may monitor the work environment. Video and digital cameras may be used to monitor warehouses, stores, offices and all other non-restroom and changing rooms on company property, both in and outside. You are requested to acknowledge that you are aware of and have consented to the video monitoring practices of H&M by signing the Acknowledgement form. Tampering with any video monitoring systems is prohibited.

Non-Solicitation/Distribution

Employees may not engage in solicitation of any type during their work time or the work time of the employee being solicited. Using devices provided by H&M to engage in solicitation is also not tolerated. Employees may not distribute electronic or written materials or other objects at any time in work areas; this includes non-work areas when the person receiving or distributing is working. Employees cannot sell personal items on company time. The Non-Solicitation/Distribution policy applies to persons not employed by H&M as well.

Access to Employee file

Any employee may review the contents of their employee file after requesting to do so, giving reasonable notice, to their manager. The manager will set up a time that is convenient for both parties to review the file. Employees can have copies of any paperwork that they sign (performance reviews, corrective actions). For copies of other documents, partner with a District Manager for state specific laws.

Press and Other Outside Inquiries

Please refer all questions or requests that any member of the press may have to the Communications Department in the Support Office to ensure an accurate response.

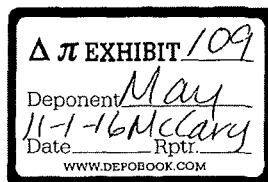
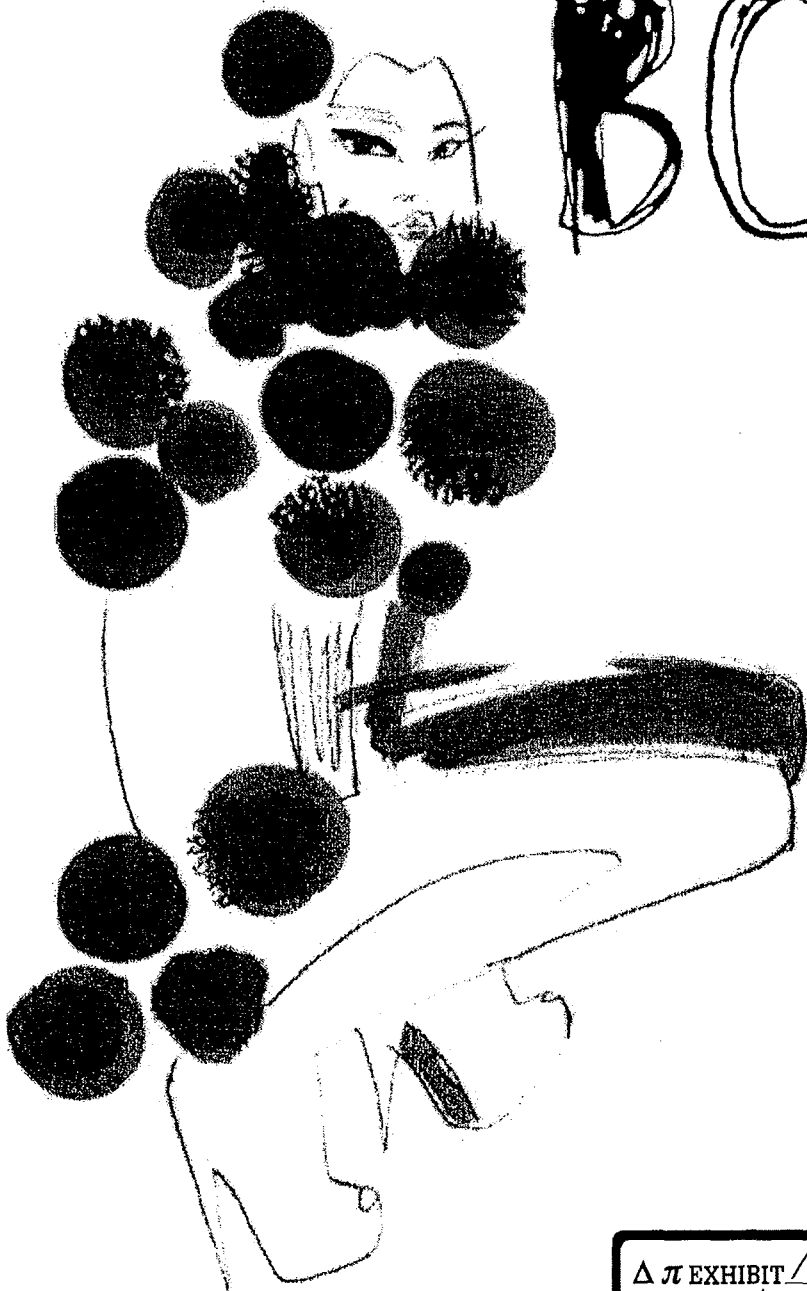
Also, refer any requests for information or notices from government agencies or legal counsel to the Human Resources or Legal Department in the Support Office.

All requests for information about current or former employees should be referred to the Payroll Department; this information should not be communicated by employees working in a store. The Payroll Department will limit their responses to information about title and dates of employment. If an employee wants further information to be released they must complete and submit an Authorization to Release Employment Information form to the Payroll Department.

	Support Office Phone #:	1-212-564-9922
---	--------------------------------	-----------------------

	Payroll Dept. Phone #:	Fill in the number for your local representative
---	-------------------------------	--

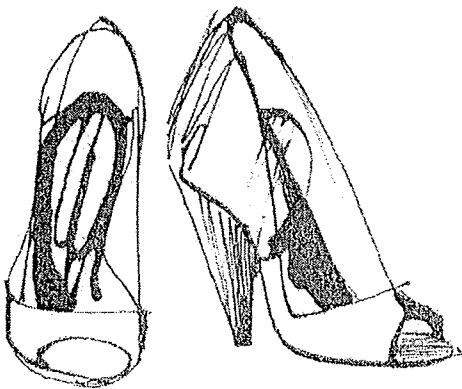
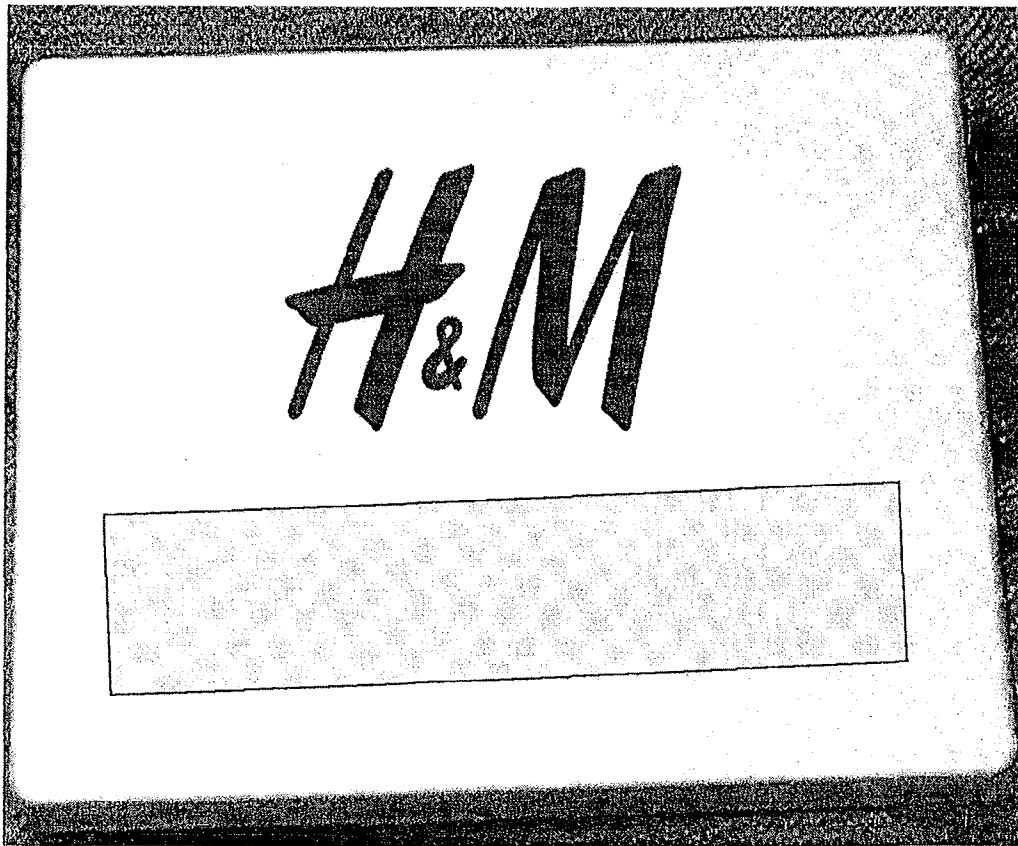
SUPPORT BOOK



H&M

H&M000385

Write your name on your badge!



Revised January 2013

H&M000386

109-2

 To all **H&M** employees:

I want to personally welcome you to H&M!

We are a fast-growing fashion retailer in North America. During our first 12 years in the US, we opened over 250 stores with sales of \$1.7 billion dollars. We are very proud of this achievement and expect more to come. We have the ambition to continue our fast-paced growth in the coming years and need people who are highly motivated to make this happen.

H&M is successful because of our strong business concept --to offer **"fashion and quality at the best price"**.

We also have a set of values (not manuals) that guide us. We want to work in a simple way - no bureaucracy. We should always be cost conscious since we have promised our customers we will offer them the best price. Understanding and living our values is key to creating a working environment where everyone counts and where teamwork leads to long-term success -- for the customer, for you and for H&M.

We also believe in personal growth and internal development. This is why many of us have been with H&M for years and have worked in a variety of roles. I started with H&M in 1996. Since then, I have held 8 different positions and worked in 4 countries. It has been a very exciting journey and I have learned a lot. My story is just one of the many stories where we have promoted from within and have given employees new challenges and opportunities.

Your journey has started today. Jump into your new job, work hard, use common sense, be part of the team and live our values. Create your own story! We are here to support you.

I look forward to working with you. See you around!



Daniel Kulle
Country Manager

Contents:

★ What We're All About

& Our Business Idea.....	6
& Our Values.....	7
& Our History.....	8
& <i>H&M</i> Around the World.....	9
& Our Responsibilities.....	10
& Customer Service.....	11

★ Benefits of Working at *H&M*

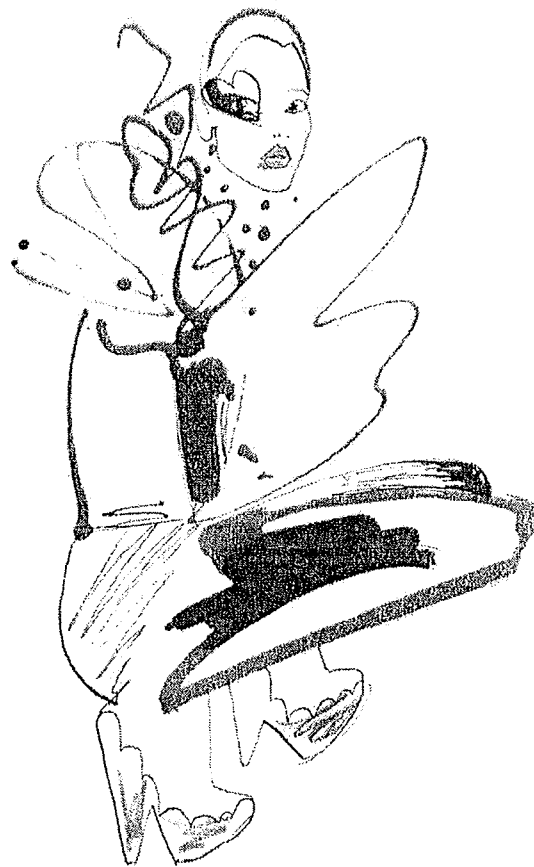
& Open Door Policy.....	12
& Growth & Development.....	13
& What Should I Wear Today...	14
& Work/Life Balance.....	16
& <i>H&M</i> CARES.....	22

★ How We Get it Done

& Time Management.....	25
& How We Conduct Ourselves..	28
& Work Relationships.....	29
& Internet and Phones.....	30
& For Your Safety.....	31
& What Does Progressive Discipline Mean.....	32

★ All the Legal Stuff!

& Laws.....	34
& <i>H&M</i> Policies.....	35



Growth and Development

You are the future of H&M! We are an expanding company with opportunities available for those who have that **Entrepreneurial Spirit!**

We have created a process specifically to identify future talent within H&M. The Internal Promotion Process (IPP) gives you the opportunity to grow into roles like Visual Merchandiser, Department Supervisor, Department Manager, Store Manager and more. See your manager for more details and to discuss which direction you want to take your career.

You own your own development – be our future star!



Store Manager	Expansion Support	District Team
Human Resources	Department Manager	Marketing / PR
Merchandiser	What career paths are you interested in? _____	IT
Loss Prevention		Visual Merchandiser
Logistics	Department Supervisor	District Controller
Regional Team	Support another country	Building Department

If you're a store level manager (exempt or non-exempt) or Department Supervisor you are eligible to receive Holiday Pay from your first day of employment. If you (excluding PT Department Supervisors) work on a Holiday you will be paid straight time and receive an additional paid day off that should be taken within the following 2 weeks (unless otherwise dictated by state law). This also goes for Holiday weeks when the store is closed and the manager is not able to take 2 days off that week. PT Department Supervisors will receive time and a half for all hours worked on a holiday.

Employees "in-training" will receive holiday pay according to the position he/she is training for. And of course, we honor all state and federal guidelines regarding Holiday Pay.

Wellness Days...achooo!

You may have heard these called sick days before but we're trying to help you stay healthy! That's why we want you to be able to take time off not only when you do get sick, but for doctor's visits to prevent illness and to make sure you're taking care of yourself the right way.

So, all exempt and non-exempt FT employees can receive up to 7 Wellness Days per calendar year starting 90 days after you're hired (unless it's superseded by State, County or Municipal law). ~~PT Department Supervisors~~ PT Department Supervisors qualify for up to 3 days a year. Also, you can take your wellness time in as little as 1 hour increments.

Here are the reasons to use a Wellness Day:

- & Sick days for you and/or a dependent.
- & Healthcare appointments for you and/or your dependent.
- & Emergencies such as hurricanes, blizzards and black-outs.



These are the only reasons to use a Wellness Day – remember, you have paid time off for other reasons – this is to help you stay healthy!

Some other important info:

We can't carry over Wellness Days – you can't put off being healthy! We also don't pay-out Wellness Days if you leave the company or change status from FT to PT. If you change from FT to PT, you will no longer be eligible for Wellness Days (unless you're a PT Department Supervisor).



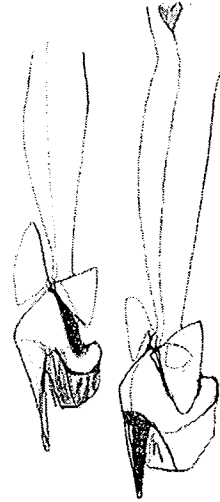
Find it in SIP under **H&M Policy 2013 / Pay, Benefits & Travel / Wellness Policy**



How many Wellness Days do I get if I started in the middle of the year?

Remember when we talked about that "Calendar Year 0" in the Vacation section? Well, thinking along those lines, depending on when you're hired during the year you'll get a portion of the Wellness Days. Below is a chart to help you figure out how many days you will receive. This is also for employees who are changing from PT to FT at some point during the year; the amount of days is determined by the date of your status change.

Start Date	Wellness Days (FT Employees)	Wellness Days (PT Dept Sup)
Jan 1-31	7	3
Feb 1 -29	6	3
Mar 1-31	5	2
Apr 1 - 30	4	2
May 1 - June 30	3	1
July 1 - 31	2	1
Aug 1 -31	1	1
Sep 1 - Dec 31	0	0



We've been talking about some of the great benefits of working at H&M – like growth and development, being able to dress your own personality, 25% discount!!!, a healthy work-life balance with Vacation, Holiday and Wellness time and even though that seems like a lot...it's just the tip of the iceberg!

H&M CARES (Benefits)

Listed below are some of the incredible medical and financial programs available!

Options for Full and Part-Time employees:(eligibility requirements may apply)

- & 401K - generous company match!
- & Commuter Benefits – pay for your commute with pre-tax dollars!
- & 5 and 10 Year Anniversary Program – choose your own gift!
- & Working Advantage – discounts on entertainment events!
- & Pet Insurance
- & LAP – turn to the next page for more info on this topic.
- & Employee Stock Ownership Plan



Find it in SIP under **Benefits / Enrollment Material**. A copy of our benefits can also be found in your Growth Guide folder. We are a flexible company, but, due to government regulations, enrollment deadlines are not!

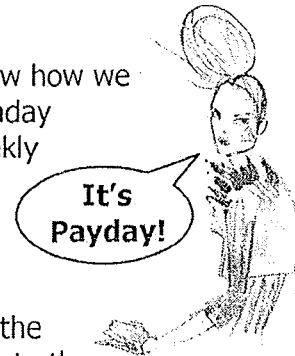


Benefits of Working at H&M

How We Get It Done

We need to make sure we Keep it Simple with our resources of time and talent. In this section you'll see how we manage time and Constantly Improve ourselves to get things done.

Time to reap the rewards of all that hard work! First, you need to know how we calculate our work week: each work week is 7 days, beginning on Sunday (12:01am) and ending on Saturday (12:00am). We're paid on a biweekly schedule, every other Friday for the previous 2 weeks (except in RI and NH). We want to make sure that everyone is paid for the work they do, so you should always review the accuracy of your hours and online pay stubs. You have 90 days from any change in pay to ensure your rate is correct. H&M will not back pay more than 3 months from the effective date and will not be able to back pay from one calendar year to the next. This means in January we cannot adjust anything from the previous year. Any discrepancy with your check will reflect during the following pay period. No adjustments are made outside of the scheduled pay period.



Check your paycheck each week!

<https://workcenter.secure.probusiness.com>

Review your rate of pay, address and any deductions to make sure they are correct.

If you have a question or concern about your pay, you should first partner with your manager, then the Payroll Department or an HR representative (remember our Open Door Policy).

All employees must sign up for Direct Deposit or Pay Card to be paid – H&M reserves the right to enroll an employee for the Pay Card program.

In order to be paid for your work you need to "clock in" using our time tracking system, which is a biometric finger scan called S.T.A.R. This scan is not a fingerprint and your information is only used for the timekeeping process. You'll need to clock in and out at the beginning and end of your shift and on your unpaid breaks; you can only do this yourself, not for other employees. The Store Manager or Direct Supervisor is responsible for approving all paid and unpaid time. Not following this process may result in disciplinary action, but employee will still be paid.

In the unlikely event that we have to close our stores or offices due to emergency circumstances like weather or natural disaster, the following applies:

Non-exempt employees: If this happens and you're at work or show up to work, you'll receive pay for your entire shift. If you don't make it in and you're scheduled, you can use wellness days or available vacation

Exempt employees: You will be paid if you're scheduled to work whether or not you are present. Employees should use vacation or wellness time first.

We reserve the right to change the process discussed based on business needs. These processes are in accordance with state laws which may require additional steps, as well as the Fair Labor Standards Act (Legal Stuff).



Find it in SIP under **H&M Policy 2013 / Pay Benefits & Travel / Timekeeping Policy**



Your Schedule

Just like requesting vacation time, if you would like to request a particular day off of work as part of your normal 2 days off, you need to fill out a TAFW (Time Away From Work) form 4 weeks prior to the date you'll need off. If you didn't find out you needed a day off until the last minute (we've all been there), you can ask one of your co-workers to fulfill your scheduled shift by filling out the Shift Change Request form and confirming the change with your manager by having them sign the form.

Break Time!

We work smart and hard at H&M! Breaks and meals are an important and necessary part of the work day. Basically we get 15 minute paid breaks (SCORE!) and 30 or 60 minute unpaid breaks (SWEET!). (State laws are incorporated). Here's the rundown:

- & You get a 15 minute break for working 0-5 hours.
- & You get a 15 and a 30 minute break for working 5:01-7 hours.
- & You get a 15 and a 60 minute break for working 7:01-9 hours.
- & After 9 hours you receive a 15 minute break after every 2nd hour.



Find it in SIP under **H&M Policy 2013 / Pay, Benefits & Travel / Scheduling Policy**. State specific break policies may differ.

When you can't make it to work...

Since **We Are One Team**, when one of us isn't on time or "calls out" it affects everyone. You know how it feels when you want to go to lunch and the person scheduled to relieve you is late – so don't be that person. That being said, if you do have a situation when you will be late or not be able to fulfill your shift, there are a few things that you need to know and do. First, here's what we consider being late/tardy or missing a shift:

- & You are considered late/tardy when you're not clocked in and ready to work at your scheduled time.
- & You are considered absent when you don't fulfill your shift; either because you don't work at all or you don't complete the shift. If you need to leave before your shift is completed, you are responsible for telling a manager you need to leave.

Your absence is unexcused when your manager is not informed that you can't make it to work or that you'll be leaving early. This happens if you didn't "call out" minimally 2 hours before your shift or as early as possible for an opening shift.

- Please bring in a doctor's note if you're out for more than 3 consecutive shifts. Based on your attendance, your manager can also ask for a doctor's note even if you've been out less than 3 consecutive shifts. Keep in mind that a note doesn't always qualify you for an excused absence. (Unless it's an FMLA qualifying absence).



Find it in SIP under **H&M Policy 2013 / Pay, Benefits & Travel / Wellness Policy**



How We Get it Done

For Your Safety...

Drug Free Work Environment:

We're committed to maintaining an alcohol/drug free workplace for you and your co-workers. The impact of alcohol, illegal or unauthorized drugs (including prescription or over the counter medications) on employee productivity, performance and safety is not compatible with our Values, Business Idea and responsibility to our employee's and customer's safety. It's not ok to possess, sell, purchase, manufacture or be under the influence of an illegal or unauthorized drug or other intoxicant while on H&M premises or while performing duties on behalf of H&M (H&M reserves the right to enhance its drug and alcohol policies).

For your safety and that of our customers, if you are taking prescribed or over the counter medication that may affect your ability to work safely you need to report it to your manager. Your work may be reassigned for the time you are taking the medication.

Alcohol and drug abuse may be part of an underlying illness; LAP (Employee Assistance Program - see Benefits) is available to all employees for help and advice.

Workplace Violence:

Acts of violence or aggression against employees, customers or any other individual on H&M property will not be tolerated. Notify your manager of any threats that you've witnessed or received or have been told about by another person (Open Door policy). All reports of workplace violence will be investigated and kept confidential to the extent possible. H&M will not retaliate against (penalize) employees for reporting any acts of violence.

Entering/Leaving the Store:

There must always be two employees present in the store at all times; if this is not possible, Security must be contacted. You'll need to use the designated staff entrance when entering or leaving the building for work. All bags/packages and outerwear must be checked before exiting the building. You should only be in the "employee only" areas when you're arriving to work, leaving after finishing a shift, or on a scheduled break.

Emergency Closings:

H&M stores and offices will remain open unless extreme circumstances exist. You are expected to report to work unless a location is closed. We urge you to consider whether you can commute to work safely in extreme circumstances, such as weather or natural disaster. Reference the Payday section for pay information for Emergency Closings.

Locker checks:

Locker space and locks are provided to you to secure your personal property - only company supplied locks should be used. Random locker checks will happen. We will not be liable for personal property - so lock it up!



Find it in SIP under **H&M Policy 2013 / Health, Safety & Security**

Video Monitoring Policy

To maximize the safety and well-being of our employees, customers and product we may monitor the work environment. Video and digital cameras may be used to monitor warehouses, stores, offices and all other non-restroom and non-changing rooms on company property, both in and outside. You are requested to acknowledge that you are aware of and have consented to the video monitoring practices of H&M by signing the Acknowledgement form. Tampering with any video monitoring systems is prohibited.

Non-Solicitation/Distribution

Employees may not engage in solicitation of any type during their work time or the work time of the employee being solicited. Using devices provided by H&M to engage in solicitation is also not tolerated. Employees may not distribute electronic or written materials or other objects at any time in work areas; this includes non-work areas when the person receiving or distributing is working. Employees cannot sell personal items on company time. The Non-Solicitation/Distribution policy applies to persons not employed by H&M as well.

Access to Employee file



Any employee may review the contents of their employee file after requesting to do so, giving reasonable notice, to their manager. The manager will set up a time that is convenient for both parties to review the file. Employees can have copies of any paperwork that they sign (performance reviews, corrective actions, documentations). For copies of other documents, partner with a District Manager for state specific laws.

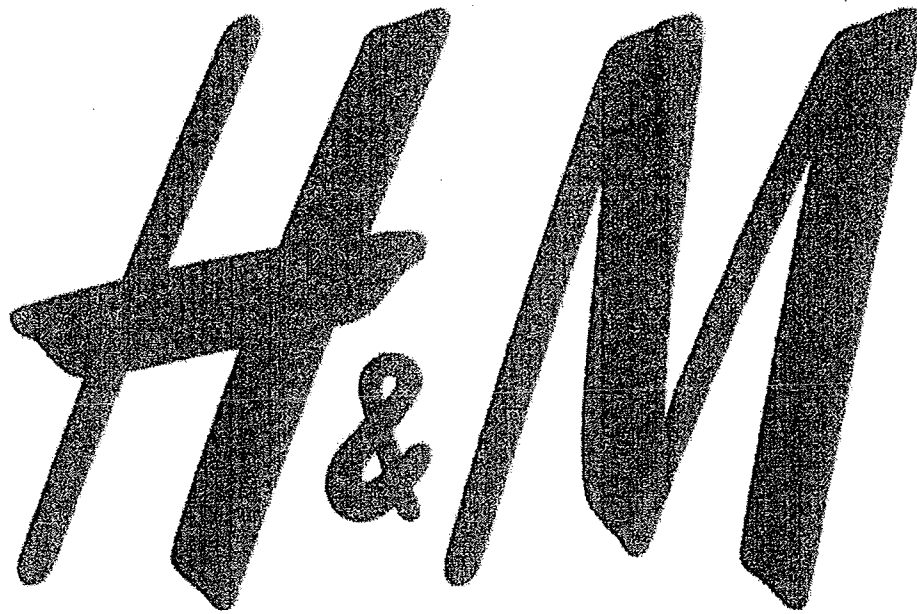
Press and Other Outside Inquiries

Please refer all questions or requests that any member of the press may have to the Communications Department in the Support Office to ensure an accurate response.

Refer to SIP for information on who to contact for information or notices from government agencies or legal counsel.

All requests for information about current or former employees should be referred to The Work Number; this information should not be communicated by employees working in a store. The responses will be limited to information about title and dates of employment. If an employee wants further information to be released they must complete and submit an Authorization to Release Employment Information form to The Work Number.

	Support Office Phone #:	1-212-564-9922
	The Work Number:	1-800-367-2884
	Theworknumber.com	Employer Code: 14339
<small>For employment and salary verification.</small>		



Policy Book

H&M COS & other stories

MTWTFSS
WEEKDAY



CHEAP
MONEY

MONKI

$\Delta \pi$ EXHIBIT 110	
Deponent	<i>May</i>
Date	<i>11-1-16</i>
	<i>McClary</i>
	Rpt.
WWW.DEPOBOOK.COM	

H&M000627

TABLE OF CONTENTS

1

RECRUITMENT AND ONBOARDING POLICIES

- 1.a At-Will Employment Relationship
- 1.b Equal Employment Opportunity Policy
- 1.c Recruitment Guidelines
- 1.d Applicant Process
- 1.e Business Recruitment Process
- 1.f Legal Aspects of Hiring
- 1.g Background Check Process
- 1.h Categories of Employment
- 1.i I9 Form Policy
- 1.j New Hire Paperwork Policy

2

PAY, BENEFITS AND TRAVEL POLICIES

- 2.a Paycards and Direct Deposit Policy
- 2.b Deduction and Overpayment Policy
- 2.c Fair Labor Standards Act and Overtime Policy
- 2.d Rehire Policy
- 2.e Pay Travel Time Policy
- 2.f Employee Transfer Policy
- 2.g Change of Personal Information Policy
- 2.h Employee Files and Access Policy
- 2.i Document Retention and Destruction Policy
- 2.j Employment Verification Policy
- 2.k Unemployment Procedure Policy
- 2.l Workers Compensation Insurance Policy
- 2.m Scheduling Policy
- 2.n Timekeeping Policy
- 2.o Compensation Policy
- 2.p Internal Development Process
- 2.q Wellness Policy
- 2.r Leave of Absence Policy
- 2.s Annual Benefits Notice
- 2.t CMS Credible Coverage Notice
- 2.u CHIPRA Notice
- 2.v Travel Policy
- 2.w Anniversary Program
- 2.x Internal Contest Policy

3

HEALTH, SAFETY AND SECURITY POLICIES

- 3.a General Safety Policy
- 3.b Breastfeeding Policy
- 3.c Drug and Alcohol Policy
- 3.d Robbery Policy
- 3.e Evacuation Policy
- 3.f Accident and Sudden Illness Policy
- 3.g Shrink Process
- 3.h Internal Theft Prevention Policy
- 3.i External Theft Prevention Policy
- 3.j Staff Purchase Policy
- 3.k Lock Down Policy
- 3.l Bloodborne Pathogen Policy
- 3.m Hazardous Communications
- 3.n Accident Reporting

4

CODE OF CONDUCT POLICIES

- 4.a Code of Ethics Policy
- 4.b ADA/ADAAA Requirement Policy
- 4.c Discrimination Harassment Policy
- 4.d Workplace Bullying Policy
- 4.e Fraternalization Policy
- 4.f EEOC Guideline Policy
- 4.g Complaint Procedure
- 4.h Open Door Policy
- 4.i Computer, Internet and Email Use Policy
- 4.j Misconduct Policy
- 4.k Peer Witness Program Policy
- 4.l Modified Progressive Discipline
- 4.m Sunset Provision Policy
- 4.n Suspension Policy
- 4.o Termination Policy
- 4.p No Smoking Policy
- 4.q Social Media Policy

5

CA SPECIFIC POLICIES

- 5.a Additional CA Leave Notice
- 5.b Paid Family Leave (PFL)
- 5.c CA Meal and Rest Period Requirement Policy
- 5.d CA Pay Policy
- 5.e CA Gift Card Redemption Policy
- 5.f CA Pay Travel Time Policy
- 5.g CA Complaint Procedure

Updated 12/15

1.h. CATEGORIES OF EMPLOYMENT

Employees	All individuals who work for H&M and receive wages or salaries from the Company.
Seasonal Employees	Employees whose service with the organization is intended to be for a specified amount of time (minimum of 2 weeks and not to exceed 90 days). Employees whose service with the organization is intended to be for a specified amount of time (not to exceed 90 days). Seasonal workers should be hired during peak business times, (the holiday season or at other times designated by Support Office) and are not eligible for any benefits except the employee discount in store (no discount available online).
Full-time Employees	Individuals who are normally scheduled to work 30 to 40 hours per week and have open availability. Hours given are based on business need. Depending on business needs, these employees may be scheduled over 40 hours or under 30 hours.
Part-time Employees	Employees who can only be scheduled to work 29.5 hours or less. There is no guarantee of hours for part-time employees and employees may work varied hours week to week.
Non-Exempt Hourly/Salaried Employee	Employees who are not exempt from the overtime provisions of the Fair Labor Standards Act. (These employees receive overtime pay for overtime hours worked).
Exempt, Salaried Employees	Employees who are exempt from overtime provisions under the Fair Labor Standards Act. (These executive, managerial, and administrative employees do not receive overtime pay for overtime work.)

2.c. FAIR LABOR STANDARDS ACT AND OVERTIME POLICY

The FLSA determines the pay requirements for non-exempt and exempt employees. Employees in a non-exempt position are eligible for overtime after working 40 hours a week. Exempt employees are not eligible for overtime.

- Overtime should be kept to a minimum. All nonexempt employees should **ONLY** work overtime if directly requested and/or approved by his or her supervisor.
- If a nonexempt employee performs ANY work, he or she needs to be paid. Comp time does not apply. Per the Fair Labor Standards Act, it is illegal to not pay nonexempt employees time and a ½ after 40 hours worked in a work week.
- A manager must authorize all overtime. Failure to comply with this policy will result in disciplinary action however the employee needs to get paid for the hours worked.
- All current states, with the *exception of Massachusetts and Rhode Island*, recognize time and a half for any hours worked over 40 hours per week. Non-exempt employees in Massachusetts and Rhode Island receive time and a half for hours worked on Sunday.
- Other state laws apply such as daily overtime in California for hours beyond 8 in one work day. Each manager is responsible for knowing their local overtime regulations and complying with such laws.
- Please be aware of the different overtime laws in each state. An employee will receive **overtime pay** in accordance to each store's state laws. Thus, if an employee from NY is supporting a MA store, the MA overtime law applies. If you're unsure, please ~~ask~~ **peak to your** Regional HR Generalist or Payroll Representative.
- All non exempt managers are entitled to overtime pay for the following holidays worked in Massachusetts and Rhode Island stores *only*: Columbus Day and Veterans Day, Victory Day only in Rhode Island
- All other states, including MA and RI, receive the following holidays and all holiday rules apply:

New Year's Day President's Day Memorial Day Independence Day	Labor Day Thanksgiving Day Christmas Day
---	--

Please refer to the STAR Store User Manual for additional information on how to manage overtime and other time and attendance concerns in the system.

Non-exempt employees need to get paid if they are physically working including season start meetings, fashion shows, etc. This also includes scheduled time that an employee

has to wait for a manager to open the store. Travel time is also considered actual hours worked.

If a location closes early due to an emergency, a non-exempt employee (including both salaried and hourly) who has started his/her shift will receive payment for the remainder of his/her shift.

No non-exempt employee (including both salaried and hourly) will be paid in an emergency closing situation unless he or she actually reports to work and begins his or her shift.

In the event that the location closes for the entire day or the employee cannot get to work due to the emergency, non-exempt employees should take a wellness or vacation day for the day. Exempt employees will be paid regardless if the location closes for the day. However, he or she must use vacation or wellness day if he or she has any time left only if the location is open but he/she cannot physically get to work. If the location is closed, the exempt employee is paid regardless.

Exempt employees are not eligible for overtime. Exempt employees should always get paid their full salary, except in the following cases:

- When the employee begins employment sometime after the beginning of a payroll period;
- When an employee does not work any hours during a workweek and has no vacation or wellness time left and on FMLA;
- When an employee is taking intermittent FMLA leave;
- When the employee has been terminated before completing his/her scheduled shifts for the week, or
- If they have been suspended without pay per manager approval.

Please call the Payroll Department immediately if a manager should not be paid for any reason.

2.m. SCHEDULING POLICY

All stores are required to create schedules based on their store specific master schedule. The master schedule reflects all functions and shifts necessary to meet the store's customer and business needs. The daily breakdowns must also reflect the breakdowns from the master schedule.

Posting of Schedules

- All stores must publish, print, and post the weekly schedule at least one week in advance on Sundays by 5pm local time (i.e. the schedule for Week 40 must be posted by Sunday of Week 39) unless otherwise directed by the District team.
- Remember that all requests for planned time off must be submitted at least 4 weeks in advance.
- All employee schedules (including managers) should be viewable to all staff.

Break Schedule

- All breaks (paid and unpaid) must be included in the daily breakdown.
- Employees are expected to take all required breaks and lunches. Additional time is not permitted. This applies to all non-exempt employees.
- When an employee is scheduled for a break, the employee *must* take it. The employee cannot save one break for the end of the shift so he or she can leave the store earlier or decide not to take the break. The break is considered mandatory, not an option, and in some states it is even required by law.

Adding/Extending Shifts and Closing Shifts

- There should be a 24 hour notice to period to add or extend a shift after the schedule is published.
- Otherwise, a manager must ask for volunteers to add or extend a shift beyond the scheduled time.
- All shifts must have a set closing time written on the schedule. The latest a closing shift can end is at 1 am. Management cannot force any employee to stay after that time, regardless of the status of the store.
- If a Store Manager knows in advance that the store will need to have employees stay longer than 1 am for one specific night (i.e. inventory) or a holiday period, he/she must receive prior approval from the District Manager. The Regional HR Generalist also needs to be informed and it must be communicated to the staff when the schedule is posted.
- If management needs employees to stay later than 1 am (for reasons other than planned above), they can ask for volunteers but cannot force anyone to stay. Overnight shifts, which are allowed in some stores per the business need, are excluded from this rule.

Canceling/Shortening Shifts

- As a general rule, full shifts must be cancelled by 8 pm the day prior, at the latest. It is the store's responsibility to contact the employee to inform him or her about the change. If the manager does not speak directly to the employee and the employee shows up for work, he/she has the right to work the scheduled shift and be paid for the shift.

110-6

H&M000670

- Another alternative to canceling/shortening a shift is to ask for volunteers. This can be done the same day but the manager has to give the employee ample time to decide if he/she wants to leave. It must also meet the state minimum, where applicable (see the 'Minimum Amount of Hours for a Shift' section for further details) If the employee wants to stay the entire shift, then it is his/her right, and management should not try to convince the employee to leave.
- During the closing shift, a manager can decide that the store is up to standard and send employees home earlier than the posted end of shift. For example, the employee is scheduled for a closing shift until 11 pm but the closing procedures are completed by 10 pm. In this case, the employees would only be paid until 10 pm. However, in order for this to occur, the employee must have worked the minimum hours as noted below per state guidelines.
- There are certain extreme emergency situations, such as bad weather or power breakdowns, when the store has to close during regular opening hours. If the employee is already working when the store closes, he or she will get paid for the rest of the scheduled shift, not the minimum hours required per state. If an employee is scheduled for a shift after the store closes, the manager needs to call the employee as soon as possible to cancel the shift. If the employee still comes to work and a manager physically sees the employee, the employee needs to be paid for the scheduled shift. If the employee is not seen by the manager, then they may be able to use a Wellness day in order to be paid.

Guaranteed Time Code (GUAR)

In certain states, there is a minimum amount of hours the employee legally has to be paid for if they come to work, such as:

Massachusetts- 3 hours	New Hampshire- 2 hours
New Jersey- 1 hour	District of Columbia- 4 hours
New York- 4 hours	Rhode Island- 3 hours
California- 4 hours	Connecticut- 4 hours

The GUAR time code is to be used in cases where the employee is sent home before completing the state minimum. This includes closing shifts. The time code is applied so they reach the state minimum. For example, if a California employee was sent home after completing 3 hours of their shift, a manager would apply the GUAR time code for one hour, bringing the total hours to 4.

Guaranteed time can also be used in cases where an employee is sent home due to a store closing (for example, during a blackout or snow storm) and thus needs to be paid for the remainder of his/her shift. This only applies to non-exempt employees who have arrived for their scheduled shifts. Also, if a store does not open due to a natural disaster this may also be used at the discretion from Regional/Country sales team.

Guaranteed time should not be applied in cases where an employee chooses to leave early. For example, a California employee who leaves after working 3 hours for personal reasons does not receive guaranteed time. This should be documented (on paper) so as to avoid confusion.

Guaranteed time code should also not be used to replace WRK code i.e. if an employee is at a meeting should use WRK code. Please note that GUAR time is not actually time worked thus counts as regular hours and not counted towards OT.

Refer to the 'Apply a Time Code Override' section of the STAR Store User Manual for more information.

110-8

H&M000672

2.n. TIMEKEEPING POLICY

Company Workweek

The workweek at H&M is the seven-day period beginning at 12:01 a.m., Sunday and ending 12:00 midnight, Saturday.

Clocking In/Clocking Out

All employees should clock in and out according to their schedule. Employees are to be paid for all time worked and should only be clocking in for themselves- not for other employees.

No manual entries should ever be done to timesheets unless absolutely necessary. Please know that any manual entry to a timesheet will cause any future physical punch ins/outs through the timeclock to NOT appear for the rest of the day of the affected timesheet. The adjustments should be made the next day. Employees may not perform any work while they are clocked out.

Managers and employees must not alter, change or delete timesheets so they do not match actual hours worked. An employee must never perform any type of work while they are not clocked in.

Timesheets

All stores should have the timesheets authorized daily by 10 am local time (unless otherwise directed by your District Team). The Supervisor Summary should be completed every Sunday before close of business (unless otherwise directed by your District Team). The Store Manager or Direct Supervisor is responsible for approving all paid and unpaid time. As a precaution, when authorizing hours on Sunday of the pay week, run the Supervisory Summary for the past 2 weeks, not just the last one, to ensure all hours are authorized. A printed and signed copy of the Summary must be placed in the Payroll binder.

The expectation for H&M managers will be that, in most cases, they will be scheduled to work at least 40 hours per week. **It is every manager's responsibility to ensure that they are working their scheduled shifts.** Scheduling factors (such as vacation, wellness, serving on a jury, taking bereavement time, etc.) will be taken into consideration. However, failure to work the assigned schedule can result in disciplinary action, up to and including termination.

All employees should review their pay statements every pay period to ensure that the information is correct.

Please refer to the STAR Store User Manual for further details on how to manage timesheets in the STAR system.

110-9

H&M000673

3.h. INTERNAL THEFT PREVENTION POLICY

Employee Bag Check

All employees, regardless of position or assignment, that have entered a store carrying a bag, purse, briefcase, backpack, etc, will have that bag visually searched by a member of management (or Uniformed Guard where applicable) prior to exiting the store. The only exception is when an employee is **only** shopping on the sales floor. If an employee goes into an 'employee only' area (breakroom, manager's office, etc.) then they must be inspected before exiting the work location if they have a bag, purse, briefcase, backpack, etc.

It is very important that all staff understand that when they leave the store, if a manager or security officer is not at the door, they need to seek out a manager and have their bag inspected. If an employee **does not** have a bag, purse, briefcase, backpack, etc., they **do not** need to wait for a member of management before exiting the store but inform a member of management that they are leaving the store for their safety. Any coats or Jackets worn while exiting the store without a bag must be **unzipped and unbuttoned**.

Locker Inspection

H&M provides employees with a locker space and padlock. Employees are required to lock their valuables in this locker while at work. Personal belongings (aside from outerware hanging in a designated area) are not allowed to be stored outside an employee's locker.

To the extent consistent with applicable laws, H&M will conduct random locker inspections to ~~ensure that no~~ contraband or prohibited items are being stored. These inspections are required at least once a month with two members of management and all lockers need to be inspected. Any finding of contraband or prohibited items is to be reported immediately to your District Security Manager.

Garment Holds

Employees are permitted to hold garment for 24 hours, the same as customers. The garments are to be marked with the employees name on the hold tag and must be signed off by a manager. Stashing or holding of garments to purchase later in any other location is prohibited.

General Guidelines

It is extremely important to remember that if you have suspicion of employee misconduct that you immediately contact and address serious matters directly with their manager. Managers must keep the identity of the employee confidential to the extent possible.

A manager should also contact your District Security or HR manager before taking any action on your own.

Employee Hotline

The company has a toll free number to report serious violations of any company policy or theft related issues. The number is 866-HM STAFF (866-467-8233). ***If you see something, say something!***

110-10

H&M000701

FAX: 888-808-6580

GROUP AND MEETING TRAVEL: All Group and Meeting Travel must be booked thru the H&M Travel Department by filling out a Group and Meeting request form (found on the everyone folder under H&M Procedures / Travel/ Travel forms or in SIP under Documents/Static Documents/Travel/General/Meeting Group Request Form) and email to DLTravel-US@hm.com. The travel department will look at your requirements and obtain appropriate pricing from various venues for your review. All Group and meeting request should be received by the travel department no later than 4 weeks in advance.

CONCUR PROFILE'S: All employees must input their manager into their profile information on our Concur site to ensure that travel reservations and expense reports are approved in a timely manner. Your pertinent details and travel preferences should also be added for a more efficient travel and expense experience. Reservations cannot be made without your Manager in your profile. All information including Start up guides and how to guides in reference to Concur can be found in SIP under Documents/Static Documents/Travel/ Concur Travel/Expense

ENFORCEMENT: Reservations made through sources other than World Travel Inc. or Concur, are a violation of policy, and may cause the company to lose valuable management information as well as anticipated funds from its financial arrangement with World Travel Inc. Reservations made through alternate sources risk withholding of reimbursement.

Air/Rail Travel

CLASS OF SERVICE: All employees are expected to travel coach class.

LOWEST AVAILABLE AIRFARE: All airline/rail tickets must be booked at the lowest available fare as determined by World Travel Inc. or Concur at the time of booking. The following criteria will be utilized to determine lowest available airfare;

- The departure or arrival time is within two (2) hours before or after the requested departure or arrival time;
- It is recommended to accept alternate flights/trains offered if savings exceed \$100;
- If alternate airports are available with savings exceeding cost of transportation, those airports should be accepted.
- Employees may not specify a preferred carrier;

If the lowest available fare is inconsistent with reasonable business planning and the traveler turns down the fare, the traveler's explanation will appear on the monthly departmental travel management report issued to the company by World Travel.

FREQUENT FLIER PROGRAMS: Traveling employees may retain frequent flier program benefits. However, participation in these programs may not result in any incremental cost to the company beyond the "lowest available airfare", as defined above.

3.d. ROBBERY POLICY

Unfortunately, we are in a business that takes cash. When that happens, it makes us the potential target for robbery. We take many of the best precautions we can to make ourselves less of a target but it can still happen.

The most important thing to understand is what to do should it happen.

Here are the actions that should be followed:

- Try not to panic; remain as calm as possible
- Do not attempt to attract attention to the incident
- Listen to the persons' instructions
- Follow the instructions as quickly and as quietly as possible
- Always believe they have a weapon whether you see it or not

To open the register:

Perform a cash transaction using Order Number 12345 and the amount of \$1.00

After you have given them the money, wait for them to leave the store before contacting 911. Wait for the arrival of the police.

Do not discuss the amount of money missing. If contacted by a member of the press, refer them to the Public Relations (PR) Department in the Support Office.

Other Areas of Importance

There are multiple areas of concern that affect shrinkage or loss. Here are some issues to be alert to as a manager.

Banking

- All deposits and safe counts must be double counted
- All deposits must be immediately sealed after verification, logged in armored car service book and locked in the safe

Trilogy Locks

- Codes should be changed at least once a month or immediately if you believe it has been compromised.
- Codes should only be given to people who are authorized to access the Admin Office.

Key Control

- All Managers are issued a master key for the store
- Keys must be signed for upon receipt. Key Log is kept in the safe
- Keys are not to be loaned.
- If there is a temporary need for a key, it must be signed out from the safe.

110-12

H&M000716

Alarm Codes

- Every manager/supervisor/visual key holder must have their own burglar alarm code.
- Sharing of codes is not permitted. (Emergency exceptions allowed).
- To obtain codes for new members of management or covering managers, it is the responsibility of the store where the manager will be assigned to send in the Alarm Code change Form at least 3 days in advance to Loss Prevention
- It is also the responsibility of the manager receiving the code to call LP to obtain the code.
- You can contact your LP Manager to obtain a code after normal business hours.

Open/Close Store

Open

- You should not enter the store alone. If absolutely necessary, he or she must call the District LP Manager immediately.
- In the event your staff has not showed up within 15 minutes of the schedule time, you may enter the store but only after contacting your District LP Manager. A voicemail is considered proper notification.

Close

- You should never close the store alone.
- It is best to close with at least two to three people leaving at the same time.
- All fitting rooms and bathrooms need to be checked for lingering customers.
- The alarm must be set and all doors properly locked and secured.
- Always double check that you have locked the doors by pulling on them prior to leaving.

3.g. SHRINK PROCESS

Shrink is one of the greatest threats to a healthy and profitable development of a Company. It is important that all employees are informed about how shrinkage occurs so that they can take steps to reduce the amount of shrink in their location. Shrink is defined as the variance between the physical count of the on-hand merchandise at the store level and the booked inventory (receipts charged to the store such as transfers, price changes and sales) in the accounting system.

Shrink is measured by taking a physical inventory of the goods.

Inventory is the manual process of counting all merchandise/goods usually conducted at least once a year to verify the "physical count" of each item in the shop reflects the quantity in the system. The difference between the physical count and the system count is your Shrink. The inventory results are like a report card giving your store its grade once a year. Inventory is once a year but Shrink can occur every day so it is important we take daily actions to prevent losses.

To be able to combat Shrink, we need first to understand and analyze what causes Shrink in our business.

We can classify Shrink into four different types. US industry average is indicated next to each:

1. Internal causes (45%)

Internal Shrink is created in 2 different ways: through Theft and Fraud. Theft occurs when an employee removes merchandise from the Store without paying for it or hands out merchandise to his/her friends and family without them paying for it. Fraud occurs when an employee falsifies a Transaction on the Register or through Store systems, either Returns or Cancelled Receipts, for themselves, a friend or family member.

2. External causes (35%)

External Shrink is created in the same 2 ways: through Theft and Fraud. Theft occurs when a Customer removes merchandise from any H&M Location without paying for it. Fraud occurs when a Customer pays with a Lost/Stolen Credit Card (the reason we verify the last 4 digits of the credit cards), counterfeit bills (the reason we use counterfeit pens), and falsified receipts/returns (the reason we send out a List of receipts on an ongoing basis with Receipts we should not accept for Returns as well as why we secure our Register Rolls).

3. Administrative loss (15%)

Administrative Loss occurs when routines are not followed on our Registers as well as Back Office PC's. On the Register, we manually have to input the Reduction for our merchandise at the point of Sale. We have a Price Look Up system that tells us the correct original price of the merchandise as well as the Sale Price. If we don't account for the difference, Shrink occurs.

For example: A coat is on Sale for \$20, the original price was \$59.95. The cashier enters only \$20 as the price and does not discount \$39.95 off the original price. This creates a \$39.95 Shrink.

110-14

H&M000722

In the Back Office, when we write off faulty merchandise, we also have to use the original Price to reduce the garment to zero to account for it. Example: A Sale Sweater needs to be damaged. Its original price is \$29.95, it's currently on Sale for \$10.00. If the write off only happens from \$10 to \$zero, the reduction was never accounted for, causing a \$19.95 Shrink at that moment.

When we transfer merchandise from Store to Store with District and Merchandising Team approval, we also have to ensure we use the correct Price (original Price), account for every piece and write the information legible on the Transfer Note. Example: We transfer 9 coats from Store A to Store B that are on Sale for \$20, original price \$59.95. \$20 was entered on the Transfer Note, causing a \$119.85 Shrink. Additionally, the 9 looks like a 3, no correction was made and no one counted the coats in to verify the Transfer. We just caused \$719.10 Shrink.

4. Shrink caused by suppliers (5%)

Shrink can be caused by our Vendors in different ways: Suppliers shipping an incorrect amount of pieces, the incorrect pieces marked at an incorrect price, or through Vendors working in our Stores. This is why we check Vendors in and out of our Store with a Visitor's Log to control the access and expect all variances and issues with the Tuck delivery to be called into the DC Helpdesk.

Teaching your Team about Shrink

Impacting Shrink in each store is the responsibility of all Employees. Practicing proper daily routines consistently is guaranteed to reduce Shrink. Talking about Shrink and its causes can create greater awareness within your team. The routines we use on a day to day basis in our Stores are created to protect the Company as well as all its employees. Failure to follow them puts everyone at risk.

Below are some tips on how you and your management team can impact Shrink:

- Paperwork:** Proper completion and verification of all accounting notes in a timely fashion (transfers/price changes/damages).
- Routines:** Consistent practice of company routines
Cash register training and following up on routines
Verifying all truck seals and confirming totes on the bill of lading.
- Manager:** Verifying all returns, transfers, price changes, and damages
Reviewing transactions for training purposes
Checking the sales floor and back areas for misplaced merchandise daily.
Double counting all money before signing and verifying it, both signers are equally responsible for the funds and transactions.
Verifying and processing all authorized holds within 24 hours.
- Everyone:** Customer service! The five basic demands, keeping fitting rooms clean, and talking with your management team about any problems you see within your store can have each of us make a difference in reducing our losses but we must all be diligent. Don't verify a transaction by signing it without seeing it- you are equally responsible for the transaction once signed.

3.h. INTERNAL THEFT PREVENTION POLICY

Employee Bag Check

All employees, regardless of position or assignment, that have entered a store carrying a bag, purse, briefcase, backpack, etc, will have that bag visually searched by a member of management (or Uniformed Guard where applicable) prior to exiting the store. The only exception is when an employee is **only** shopping on the sales floor. If an employee goes into an 'employee only' area (breakroom, manager's office, etc.) then they must be inspected before exiting the work location if they have a bag, purse, briefcase, backpack, etc.

It is very important that all staff understand that when they leave the store, if a manager or security officer is not at the door, they need to seek out a manager and have their bag inspected. If an employee **does not** have a bag, purse, briefcase, backpack, etc., they **do not** need to wait for a member of management before exiting the store but inform a member of management that they are leaving the store for their safety. Any coats or Jackets worn while exiting the store without a bag must be **unzipped and unbuttoned**.

Locker Inspection

H&M provides employees with a locker space and padlock. Employees are required to lock their valuables in this locker while at work. Personal belongings (aside from outerware hanging in a designated area) are not allowed to be stored outside an employee's locker.

To the extent consistent with applicable laws, H&M will conduct random locker inspections to **ensure** that no contraband or prohibited items are being stored. These inspections are required at least once a month with two members of management and all lockers need to be inspected. Any finding of contraband or prohibited items is to be reported immediately to your District Security Manager.

Garment Holds

Employees are permitted to hold garment for 24 hours, the same as customers. The garments are to be marked with the employees name on the hold tag and must be signed off by a manager. Stashing or holding of garments to purchase later in any other location is prohibited.

General Guidelines

It is extremely important to remember that if you have suspicion of employee misconduct that you immediately contact and address serious matters directly with their manager. Managers must keep the identity of the employee confidential to the extent possible.

A manager should also contact your District Security or HR manager before taking any action on your own.

Employee Hotline

The company has a toll free number to report serious violations of any company policy or theft related issues. The number is 866-HM STAFF (866-467-8233). ***If you see something, say something!***

3.i. EXTERNAL THEFT PREVENTION POLICY

Garment Alarms

All stores are equipped with garment alarm systems that will watch the garment for you. The antenna at the front of the store will alarm if a tag is not removed.

Placement of the tags on a garment is to be done in the same location on the garment each time. Tagging guidelines and charts for you to reference can be found in the store.

All systems are to be tested on daily basis before opening by simply walking through the antennas with a tagged garment. If the system does not alarm, check to make sure there is electrical power and that it is turned on. Call for service if the electrical power is not the problem.

If the system is false alarming, before calling for service, take the following steps:

- Check for tags on the floor near the pedestals. It could be a soft, stick-on type.
- Move all fixtures that have tagged garments at least 4 feet away from the system.
- Turn the system off for at least 2 minutes and then turn it back on. It is a computer and this may re-set the system.

If it is still false alarming after checking the above, turn it off and call for service.

All cash registers are equipped with a detacher to remove the tags, a pad that beeps to alert you that a tag is present and an automatic soft tag deactivator.

We currently have detachers that can be locked two different ways, with a key or electronically. All key operated detachers must be turned off when the register is not in use. The keys to these units are to be kept locked in the safe.

The electronic detachers can be programmed to automatically turn off after 15 minute of inactivity and can only be opened with a code. Instructions for programming are in SIP.

Garment Alarm Activation – Customer Service

In an effort to protect our merchandise, each store is equipped with an electronic article surveillance system (EAS). Selected merchandise has the plastic tag attached. The system is activated when the tag passes over the upright antennas or through ones that are buried in the floor at the front of the store or through the upright pedestals in the doorway.

It is extremely important that everyone understand the correct process in dealing with customers during alarm activation.

REASONS FOR ACTIVATION

There are five basic reasons why the alarm sounds:

110-17

H&M000725

- Cashier failed to remove the tag from a purchased garment
- Tagged display garment is too close to antenna
- Customer enters with tags from other retail companies
- System malfunction
- Theft of garment with tag

PROCEDURE FOR ACTIVATIONS

Any associate has the ability to assist a customer when the alarm activates. When the alarm sounds, the following procedure needs to be used each and every time:

- The closest associate to the door should approach the customer. Apologize and offer to remove the sensor.
- Please request the item along with the receipt. Should the customer ask the need for the receipt advise them you need to identify the cashier who made the mistake.
- After the customer has handed you the receipt and the purchase, walk the bag through the system and then have the customer walk through the system without the bag. The reason is to insure where the activation is coming from. It is possible the customer has on garments or has made a purchase from another retailer who failed to remove or deactivate a tag.
- After you identify the H&M bag as the source of the alarm, take the purchase to the nearest register. Advise the customer that it is not necessary for them to leave the front of the store. You will return the purchase to them.
- At the register, check all garments in the bag. There maybe more than one tag left on garments.
- Compare the garments against the receipt. If there are no discrepancies, return the purchase to the customer and again apologize for the inconvenience

EXCEPTIONS

In the event that the customers' purchase does not set off the alarm but the customer does, you may ask the customer the following question: **"Are you wearing or carrying a recent purchase from another store or know of any reason why our alarm activated?"** If the customer indicates a recent purchase, advise them it would be in their best interest to locate the tag as they might activate alarms in other stores as well. This rule also applies for customers who are not carrying any bags or who activate the alarm coming into to the store.

When checking the purchases against the receipt, should you find items in the bag that is not on the receipt, immediately contact a member of management for further instructions.

If a customer responds to you by removing a garment concealed on the person or in pocketbook or admits to you that they did in fact take merchandise, take no further action and immediately request assistance from another manager or LP.

IMPORTANT ITEMS

Do not search or ask to search any customers' person or personal belongings. If a customer voluntarily opens their bags or clothing, you may view the contents. Do not place your hands in any bags and you are not allowed to place your hands on anyone.

Make every effort to be apologetic and if you need to have further discussions with a customer, move away from the doorway to a less conspicuous area. If you need to go off the sales floor, explain to the customer that you wish to make this a private matter and ask if they would accompany off the floor. If they decline, do not force this issue.

Should the store experience an unusual number of false alarms, please check the area around the doorway for tag that may have fallen under displays, fixtures of tagged garments that may be too close to the door or for the small stick on tags used by other retailers that may have fallen off packages. By doing this you may save the company embarrassment with customers or unnecessary,

CCTV (Closed Circuit TV)

In some stores camera systems will be installed and used by the in-house and contract store detectives. ~~The system~~ is used to monitor for potential loss activity. They are not to be used as a way to monitor employee productivity.

Contract Security Officers

Based on need, we will use contract security officers to monitor the front doors and employee entrances. The primary focus of the guards is to be a deterrent for grab and runs at the front door or to assist with garment alarm activations or bag checks and employee ID verifications.

Contract/In-House Store Detectives

Again based on need, we will use detectives from an agency to assist in the apprehension of shoplifters. We also have a limited staff of detectives who are employees of H&M.

In-house detectives, with permission of the District LP Manager, assist you with internal investigations. Under no circumstances are contract detectives permitted to work on internal cases without approval from the Country LP Manager.

110-19

H&M000727

4.j. MISCONDUCT POLICY

Although employment at H&M is "at-will" and can be terminated at any time, for any reason, the following list is intended to provide examples of conduct that is not allowed at H&M and may result in immediate termination.

Whether or not an employee who engages in impermissible conduct is subject to corrective action depends on the severity of the misconduct. Since employment is "at-will" decisions concerning the appropriate discipline of any misconduct falls within the Company's sole discretion.

Some examples of misconduct include and are not limited to:

Health and Safety

- Possession of weapons on or about Company premises.
- Acts of violence.
- Implied/actual physical or verbal abuse towards employees or customers.
- Horseplay which results in personal injury or damage to property.
- Failure to report personal injuries that occur while working.
- Violating safety rules and regulations.
- Endangering the safety of others.
- Blocking of emergency routes.
- Any unsafe storage of goods.
- Tampering with or disabling any security or safety equipment (e.g., fire alarm).
- Allowing unauthorized persons in the store (during closing hours) or any 'employee only' area without management approval.
- Allowing pets under any circumstances in the stores or any H&M working area (with the exception of service animals).
- Violating the Company's drug and alcohol policy.

Unprofessional Conduct

- Violating the Company's policies on discrimination and harassment.
- Retaliating against an employee for reporting a violation or cooperating with an investigation.
- Insubordinate behavior including refusal to perform job assignments.
- Violating the Company's non-solicitation or distribution policy.
- Gambling at work.
- Disorderly, aggressive or unprofessional behavior while on Company property or on Company sponsored business, regardless if working or not.
- Falsification of Company documents.
- Disclosure of confidential information or violation of the Company policy on outside employment.
- Misuse or destruction of Company, employee, or customer property.
- Failure to report dishonest acts or cooperate with Company investigations.
- Taping conversations without authorization.

110-20

H&M000749

Loss Prevention

- Failure to follow Loss Prevention guidelines.
- Failure to follow employee discount policies.
- Theft of Company, employee, or customer property.
- Failure to follow cash register, cash handling, or banking procedures.
- Unauthorized entry onto H&M premises.
- Touching, searching through, or taking another employee or customer's personal property without consent.
- Leaving the store unattended.
- Leaving the safe and/or access points (aside from customer entrances) to the store open.
- Allowing non-managers or non-supervisors to open or close a store without District Manager or security approval.
- Stashing of merchandise under any circumstances.

Job Performance

- Failure to meet the Company's standards for work performance.
- Excessive absenteeism or tardiness.
- Clocking in/out another employee or knowledge of one employee clocking out another employee and not reporting the time fraud
- Closing the premises or cash points early without District Manager authorization.
- Conviction of a crime which, in the Company's judgment, may impact the employee's ability to perform his or her job function in a satisfactory manner.

Please note that the above groupings are for ease of reading and not for the purpose of establishing ~~separate progressive~~ discipline tracks.

Be sure that your store has both the federal and state labor posters hanging in a prominent place in the back area of the store; that is, in an area where employees tend to spend time, where the view is not blocked (by, for example, empty water cooler containers), and should be at a comfortable height so the information can be easily read. If your store does not have the posters, management should contact the Support Office. These posters should be hanging in the same general area as the "Worker's Compensation" poster.

110-21

H&M000750

5.c. CALIFORNIA MEAL AND REST PERIOD REQUIREMENT POLICY

Rest breaks and meal periods are provided as a benefit to all nonexempt employees and should be posted on the daily breakdown. Rest breaks and/ or meal periods may not be accumulated throughout the day for the purposes of extending the time off period or to leave work early. The employee does not clock out for 10 minute rest breaks. Meal periods should be taken, when possible, in the middle of the work shift. The employee must clock out when leaving for meal periods and clock back in when returning. Employees are not paid for the meal period. California law requires a 30 minute unpaid meal period but H&M company policy calls for a 60 minute unpaid meal period in some cases. The number and type of meal periods/ rest breaks a nonexempt employee receives depends on the total number of hours he or she is working. Please see below.

- Employees working a shift that is 2.5 to 5 hours will be provided one 10 minute rest break. For example, if the employee is scheduled 12 pm to 5 pm they should be provided one 10 minute rest break.
- Employees working a shift that is 5:01 to 6 hours will be provided one 10 minute rest break and one 30 minute unpaid, uninterrupted meal period. The meal period should begin before the employee has completed 5 hours on the clock. For example, if the employee is scheduled 1 pm to 6:30 pm they should be provided one 10 minute rest break and one 30 minute meal period. In this case, the meal period should begin before 6 pm.
- Employees working a shift that is 6:01 to 7 hours will be provided two 10 minute rest breaks and one 30 minute unpaid, uninterrupted meal period. The meal period should begin before the employee has completed 5 hours on the clock. For example, if the employee is scheduled 2 pm to 8:30 pm they should be provided two 10 minute rest breaks and one 30 minute meal period. In this case, the meal period should begin before 7 pm.
- Employees working a shift that is 7:01 to 10 hours will be provided two ten minute rest breaks and one unpaid, uninterrupted 60 minute meal period. The meal period should begin before the employee has completed 5 hours on the clock. For example, if the employee is scheduled 3 pm to 10:30 pm they should be provided two 10minute rest breaks and one unpaid, uninterrupted 60 minute meal period. In this case, the meal period should begin before 8 pm.
- Employees working greater than 10 hours will be provided three 10 minute rest breaks, one 60 minute unpaid, uninterrupted meal period and one 30 minute unpaid, uninterrupted meal period. The first meal period should begin before the employee has completed 5 hours on the clock.

Employees who leave the store must have a bag check/ "walk out" as they exit per H&M company policy. If the employee is walked out at the beginning of the rest break or meal period, that break

begins once the manager has cleared them to leave the building. If there is a discrepancy between the clock out and walk out times, this should be noted by the manager and adjusted in STAR immediately to reflect the "true" start of the employee's meal period. For example, if an employee clocks out for their lunch at 12:17 pm but must wait to be walked out by a manager until 12:26 pm, their meal period start time should be adjusted in STAR to reflect 12:26 pm as the start time. Employees are responsible for clocking out, gathering any personal items and proceeding to an employee exit to be walked out in a timely fashion if they wish to begin their break outside the store. To support timely walk outs, California employees may be walked out of any customer entrance by a manager during open hours.

Managers must ensure the appropriate breaks are scheduled and have the overview of compliance with this policy. It is the employee's responsibility to ensure these requirements are followed and failure to take scheduled breaks may result in corrective action.

110-23

H&M000769

5.d. CALIFORNIA PAY POLICY

If there is a question about a discrepancy in an employee's paycheck, the employee's manager should contact the Payroll Department. If the Payroll Department or the manager is not able to properly address the discrepancy, then the employee should notify the Human Resources Department.

In the event that the Payroll Department inadvertently makes an improper deduction of time from a salaried, exempt employee's paycheck, the affected employee should immediately contact the Payroll Department so that the error can be corrected as soon as possible.

In the event that an employee is inadvertently overpaid for any reason (e.g., additional hours not actually worked, salary, incorrect or inadvertent bonus or merit increase) the employee must notify their manager immediately so that the overpayment can be rectified immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck except where state law dictates otherwise.

The workweek at an H&M Company is the seven-day period beginning at 12:01 a.m., Sunday and ending 12:00 midnight, Saturday.

When business conditions demand, the Company reserves the right to schedule overtime. For attendance purposes, overtime is treated as any other scheduled workday. A manager must authorize all overtime. Failure to comply with this policy will result in disciplinary action. In such instances, H&M will comply with all minimum state pay requirements.

You should contact your Store Manager or immediate manager for specific details on your store's or department's requirements. Pay for overtime will be in accordance with the Fair Labor Standards Act and California law. Bonus programs will be in accordance with Company policies and Taxable Fringe Benefits guidelines.

All employees should review their pay stubs every pay period to insure that their records are accurate.

Every store level employee (non-exempt and exempt) is required to clock in and out at the start and end of their shift, as well as for all unpaid breaks. Non-exempt employees will be paid for hours worked only and are subject to overtime. At no time may any employee clock in or out for any other employee. In addition, clock punches should not be edited except for specific circumstances. In either case, this will be considered a violation of company policy and will lead to corrective action up to and including termination. If the employee fails to clock in or out, the employee will only be paid for hours approved by the manager. No employee or manager may make time changes on the timesheet without a Store Manager's approval. Managers are responsible for authorizing their employee's timesheets which includes their paid and unpaid time.

Employees should only clock in or out at the time they are scheduled to work and when they are ready to work. An employee, who punches before or after the time he/she is scheduled to work, without approval from his/her manager, the employee will be subject to disciplinary action but will still be paid.

Employees are expected to remain in the workplace while they are "on the clock" unless they are on break and can return to their assigned location before the expiration of the break period. Employees taking their unpaid meal period are free to leave the premises.

Vacation accruals may not exceed twice an employee's current annual entitlement. Once this maximum is reached, all further accruals will cease. Vacation accruals will recommence after the employee has taken vacation and his or her accrued hours have dropped below the two-year maximum.

Should an employee transfer to a position out of the State of California his/her vacation accrual and carryover for current and previous years will be paid out upon the effective date of transfer. Upon transfer, the store manager must submit a payroll correction requesting all unused, accrued CA vacation be paid out to the employee.

EXHIBIT 5

Naomi Fritt November 1, 2016

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and)
on behalf of all others)
similarly situated,)
)
Plaintiffs,)
)
v.) NO. 5:16-CV-333 EJD
)
H&M HENNES & MAURITZ, L.P., a)
New York limited partnership;)
and DOES 1 through 50,)
inclusive,)
)
Defendants.)
-----)

Deposition of NAOMI FRITT,
taken on behalf of the Plaintiffs, at
515 S. Figueroa Street, Suite 1250,
Los Angeles, California, commencing at
9:58 a.m., Tuesday, November 1, 2016,
before EMILY McCARY, CSR No. 7584.

Naomi Fritt November 1, 2016

1 on the bag check?

2 A Can you clarify the question?

3 Q Yeah, I mean, what did H&M tell you about
4 bag checks, like what training did you receive on the
5 bag check itself?

6 MR. SATENBERG: Vague and ambiguous.

7 THE DEPONENT: Just a show of opening the bag.
8 If I cannot see into the bag, asking the employee to 10:30
9 move their belongings.

10 BY MR. HYUN:

11 Q And did you also -- or were you also
12 instructed to check the employee's coat and jacket?

13 A No.

14 Q And then when you moved to the United
15 States as, I believe, Department Manager --

16 Is that right?

17 A That's correct.

18 Q -- were you then trained on bag checks or 10:31
19 exit searches in the United States?

20 A Yes.

21 Q And were the procedures the same or
22 different?

23 A The same.

24 Q And when you came to the United States as
25 Department Manager, were you also instructed to check

Naomi Fritt November 1, 2016

1 the employee's jacket and coat?

2 A Yes.

3 Q And were you also instructed to conduct a
4 visual inspection of the employee to make sure that
5 the employee did not have a jacket, coat or bag? 10:31

6 MR. SATENBERG: Vague and ambiguous.

7 THE DEPONENT: Define the question, please.

8 BY MR. HYUN:

9 Q Were you told to make sure that you
10 checked and looked at the employee to make sure that
11 the employee did not have a bag, jacket or coat in
12 the United States?

13 MR. SATENBERG: Vague and ambiguous.

14 THE DEPONENT: I don't understand the
15 question.

16 BY MR. HYUN:

17 Q So as part of your training for the bag
18 check or exit search, you were told to check the
19 employee's bag and to look inside the bag, to check
20 the employee's coat and jacket in the United States. 10:31
21 To do that, how would you confirm whether the
22 employee had a bag, coat or jacket? Could the
23 employee just leave the store without telling you?

24 A They could, with consequence.

25 Q So was the employee supposed to check

Naomi Fritt November 1, 2016

1 with you first, "Hi, I'm leaving," before leaving the
2 store?

3 A Yes.

4 Q And then at that point you would see
5 whether the employee had a bag, jacket or coat?

6 A Yes.

7 Q And then in terms of surveillance, when 10:32
8 was the first time you actually had training on
9 surveillance in connection with your job duties at
10 H&M?

11 A I don't recall.

12 Q Do you recall which job title it was?

13 A Store Manager.

14 Q And do you recall if it was you being
15 trained on how to, you know, record things or
16 systems -- I mean, do you recall what you were
17 trained on?

18 A How to review footage.

19 Q And so it's just like if you want to look 10:32
20 up a particular time in the store's footage in a
21 particular location, you were trained on how to
22 access that quickly?

23 A I was trained on how to access it.

24 Q And as -- strike that.

25 Anything else as Store Manager that you

Naomi Fritt November 1, 2016

1 customers entering and leaving the store.

2 Q But then if the bag check or exit search
3 happened at the front entrance, would that be caught
4 on the camera if all cameras are positioned at the
5 front door?

6 A Not necessarily.

7 Q Why is that?

8 A A manager could stand underneath the
9 camera not being captured by the camera or underneath 10:45
10 the screen not being captured by the screen.

11 Q Are employees trained, based on your
12 experience as Department Manager and District Sales
13 Manager, to conduct exit searches at the front
14 door?

15 A Yes.

16 Q And should they be -- or were they ever
17 trained on their positioning so they could be caught
18 on surveillance?

19 A No.

20 Q So if a manager was in the correct
21 position underneath the camera with an employee 10:46
22 conducting the exit search, would that be recorded on
23 the video?

24 A Can you specify the question? Can you
25 clarify the question?

EXHIBIT 6

Monica Frank November 18, 2016

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

----- X

SER LAO, as an Individual
and on behalf of all others
similarly situated,

Plaintiffs,

vs.

No. 5:16-cv-333
EJD

H&M HENNES & MAURITZ, L.P.,
a New York limited
partnership and DOES 1 through
50, inclusive,

Defendants.

----- X

DEPOSITION OF MONICA FRANK
New York, New York
Friday, November 18, 2016
1:55 p.m.

Reported by:
THERESA TRAMONDO, AOS, CLR
JOB NO. 47282-B

Monica Frank November 18, 2016

1 Frank
2 document entitled "2013 H&M-U.S. Sales
3 Bonus Program Provisions."

4 Have you ever seen Exhibit 135
5 before?

6 A. Yes.

7 Q. What is Exhibit 135?

8 A. It is our bonus provisions
9 that we have available for our employees
10 to see what the guidelines are for our
11 bonus programs.

12 Q. Was Exhibit 135 in effect for
13 the calendar year of 2013?

14 A. Yes, our fiscal year.

15 Q. What is the fiscal year at
16 H&M?

17 A. It begins December to
18 November.

19 Q. Is it December 1st through
20 November 30th?

21 A. Correct.

22 Q. And that's been the case
23 during the entire time that you've worked
24 at H&M?

25 A. Correct.

Monica Frank November 18, 2016

Frank

Q. If you go to page, what I call, Bates stamp 427 of Exhibit 135, do you see the page numbers at the bottom?

A. Yes.

Q. Do you see the "Payout periods" paragraph at the bottom of page 427?

A. Yes.

Q. Is that an accurate statement of when bonuses are paid out at H&M?

A. Yes.

Q. Then going to Bates stamp 429 of Exhibit 135, do you see the top section "Top 30 Stores Quarterly Bonus Specifics"?

A. Yes.

Q. Can you tell me what that section means?

A. That is for top 30 stores, which are our high-volume stores, what their bonus specifics are.

Q. So does that section mean that the top 30 stores -- that the employee who work at those top 30 stores will be

Monica Frank November 18, 2016

1 Frank

2 paid a bonus?

3 A. That is for the bonus plan of
4 top 30 store manager.

5 Q. Then going to Bates stamp 430
6 of Exhibit 135, do you see that bottom
7 portion where it says "Nonexempt
8 manager's recalculation of OT"?

9 A. Yes.

10 Q. If you could read the bullet
11 to yourself and let me know when you're
12 finished.

13 A. Finished.

14 Q. What does that bullet mean?

15 A. It is saying that nonexempt
16 managers will receive an additional
17 amount of overtime work, meaning that
18 their overtime is recalculated.

19 Q. Would that bullet also apply
20 to all hourly employees in California,
21 not just managers?

22 A. Yes.

23 Q. If you turn to the last page
24 of Exhibit 135, Bates stamp 431, and if
25 you could read that bullet on page 431,

Monica Frank November 18, 2016

1 Frank

2 Have you ever seen this
3 document before?

4 A. Yes.

5 Q. What is Exhibit 136?

6 A. It is a communication document
7 that we provide to our stores so they are
8 aware of what their bonus is for that
9 year.

10 Q. Is this the bonus plan for
11 hourly store staff for 2013?

12 A. Yes.

13 Q. And if you look at the first
14 page, 432, Exhibit 136, the star that
15 says "How do you get bonus" --

16 A. Yes.

17 Q. -- if you could read the
18 section underneath and let me know when
19 you're finished.

20 A. Finished.

21 Q. What is your understanding of
22 the sentence underneath the star "How do
23 you get bonus"?

24 A. It's explaining how the stores
25 can achieve bonus and what the metric is.

Monica Frank November 18, 2016

1 Frank

2 Q. Can you tell me what the
3 metric is for this Exhibit 136?

4 A. Sold pieces takt. It's a
5 Swedish term.

6 MR. SATENBERG: T-A-K-T.

7 Q. So since we're there, does
8 "takt" mean taken or bought?

9 A. I don't know.

10 Q. If I'm reading this correctly,
11 does it mean that if the store achieves
12 this particular metric, sold pieces takt,
13 in parens is "SPT" of 14.3 or more, the
14 eligible hourly employees will get a
15 bonus?

16 A. Correct.

17 Q. And as long as you reach this
18 metric, you get a bonus?

19 A. Yes.

20 Q. There is no discretion in
21 whether the bonus is paid out or not as
22 long as you meet the metric?

23 MR. SATENBERG: Vague and
24 ambiguous. Calls for a legal
25 conclusion. Go ahead.

Monica Frank November 18, 2016

1 Frank

2 A. Yes.

3 Q. The second star, what can you
4 get -- and if you could read the three
5 bullets underneath that, and let me know
6 when you're finished.

7 A. I'm finished.

8 Q. Based on your experience as a
9 compensation analyst and senior
10 compensation specialist, is that an
11 accurate statement of how the bonus is
12 calculated for hourly staff employees?

13 A. Yes.

14 Q. Then the third star, "Who is
15 eligible" on Exhibit 136, those are all
16 the positions eligible for the bonus?

17 A. Correct.

18 Q. If you review the entire
19 document, Exhibit 136, do you know why
20 Exhibit 136 does not talk about
21 recalculating overtime for hourly staff
22 employees?

23 A. It's already calculating
24 overtime within the bonus.

25 Q. When we reviewed Exhibit 135,

Monica Frank November 18, 2016

1 Frank

2 Q. We will get to that.

3 Let me just show you this
4 document and try to refresh your
5 recollection.

6 MR. HYUN: 137.

7 (Exhibit 137, document Bates
8 stamped H&M 434 through 435, 2013
9 Bonus Store Management Team, marked
10 for identification, as of this
11 date.)

12 Q. Ms. Frank, I've handed you
13 what I've marked as Exhibit 137. It's
14 Bates stamped H&M 434 through 435. It's
15 the 2013 Bonus Store Management Team.

16 Does this document refresh
17 your recollection -- actually, before we
18 go there, do you know what Exhibit 137
19 is?

20 A. Yes.

21 Q. What is Exhibit 137?

22 A. It's the communication
23 document for the bonus program in 2013
24 for the store management team.

25 Q. Does this document refresh

1 Frank
2 your recollection as to the metrics used
3 to pay the store management team bonuses
4 in 2013?

5 A. Yes.

6 Q. So when you go to the first
7 page of Exhibit 137, the Bates stamp 434,
8 the first star "How do you get bonus," do
9 you see that?

10 A. Yes.

11 Q. If you could read it and let
12 me know when you're finished.

13 A. Finished.

14 Q. So what is "How do you get
15 bonus"? Do you understand what this
16 section means?

17 A. Yes.

18 Q. What is your understanding of
19 "How do you get bonus" in Exhibit 137?

20 A. It is saying that mystery shop
21 is a qualifier for the bonus, the store
22 needs to achieve 90 percent or more, and
23 that both metrics of SPT and sales
24 results must be met in order to achieve
25 any portion of the bonus or any tier of

Monica Frank November 18, 2016

1 Frank

2 the bonus.

3 Q. Is it your understanding that
4 so long as the store receives or meets
5 these metrics that the store management
6 team will get a bonus?

7 A. Yes.

8 Q. There's no discretion in that
9 regard?

10 A. Correct.

11 Q. Then the second star on
12 Exhibit 137, Bates stamp 434, "What can
13 you get," do you see that section,
14 Ms. Frank?

15 A. Yes.

16 Q. Is that an accurate statement
17 of the bonus amount and how it's
18 calculated?

19 A. Yes.

20 Q. So that, I guess, like that
21 middle box, if you're lower than budget,
22 then you don't get a bonus; is that
23 correct?

24 A. Yes.

25 Q. And if it's between budget and

Monica Frank November 18, 2016

1 Frank

2 A. I don't know why it doesn't
3 say that.

4 MR. HYUN: 138.

5 (Exhibit 138, document Bates
6 stamped H&M 436 through 437,
7 entitled "2013 Bonus Store
8 Managers," marked for
9 identification, as of this date.)

10 Q. Ms. Frank, I've handed you
11 what I've marked as Exhibit 138. It's
12 Bates stamped H&M 436 through 437, a
13 document entitled "2013 Bonus Store
14 Managers"?

15 A. Okay.

16 Q. Have you ever seen this
17 document before?

18 A. Yes.

19 Q. Do you know what Exhibit 138
20 is?

21 A. Yes. It's the communication
22 to the stores to let them know what
23 they'll be eligible for for incentives in
24 2013.

25 Q. Is Exhibit 138 the bonus plan,

Monica Frank November 18, 2016

1 Frank
2 the 2013 bonus plan for store managers?

3 A. Yes.

4 Q. From 2011 through the present
5 in the State of California, have store
6 managers always been hourly or what I'll
7 call nonexempt?

8 MR. SATENBERG: Lacks
9 foundation. Calls for speculation.

10 A. Can you repeat that?

11 Q. Is it your understanding that
12 since 2011 in the State of California
13 that store managers have been nonexempt
14 hourly employees?

15 MR. SATENBERG: Same
16 objections.

17 You can answer, if you know.

18 A. It depends on the store.

19 Q. Can you elaborate on that,
20 please?

21 A. The top 30, the top volume
22 stores, they would be exempt. The lower
23 volume stores, which are the majority,
24 will be nonexempt managers.

25 Q. Do you know who at H&M set

Monica Frank November 18, 2016

1 Frank

2 case, we can talk about that. For
3 right now let's keep it moving with
4 what we're actually talking about.

5 MR. HYUN: Okay.

6 Q. For the nonexempt store
7 managers, Ms. Frank, is it your
8 understanding that if they get this bonus
9 that their overtime rate should be
10 recalculated?

11 A. Yes.

12 Q. And I forget, but the first
13 star of Exhibit 138, "How do you get
14 bonus," you agree that so long as these
15 metrics are met, that the store
16 management will get the bonus?

17 A. Yes.

18 Q. There is no discretion,
19 correct?

20 A. Correct.

21 Q. And then the second star,
22 "What can you get" on Exhibit 138, Bates
23 stamped 436, that's the amount of the
24 bonus?

25 A. Yes.

Monica Frank November 18, 2016

1 Frank

2 Guidelines, marked for
3 identification, as of this date.)

4 Q. Ms. Frank, I've handed you
5 what I've marked as Exhibit 139. It's a
6 document Bates stamped H&M 438. It's a
7 document called Management Coach
8 Guidelines.

9 Have you seen this document
10 before?

11 A. Yes.

12 Q. What is Exhibit 139?

13 A. It's explaining the guidelines
14 for our management coach program.

15 Q. If you look at the middle or
16 towards the top of the page of Exhibit
17 139, it says in bold "Incentive Pay"?

18 A. Yes.

19 Q. And then it has numbers 1
20 through 8 below it. What is that
21 referring to?

22 MR. SATENBERG: Vague and
23 ambiguous.

24 A. Which one -- I'm sorry, I
25 didn't --

Monica Frank November 18, 2016

1 Frank

2 Q. The "Incentive Pay" section in
3 bold --

4 A. Yes.

5 Q. -- it talks about a one-time
6 lump sum payout for the year. Do you
7 know what this incentive pay lump sum is
8 referring to?

9 MR. SATENBERG: Vague and
10 ambiguous.

11 A. It's referring to the
12 management coach bonus.

13 Q. Do you know how the management
14 coach bonus is calculated?

15 A. It's a lump sum payment. It's
16 a one-time payment with bonus and OT
17 calculated as well for that.

18 Q. Do you know if there are any
19 documents that spell out how to calculate
20 the amount of the bonus? Like for
21 example, the documents we've been
22 reviewing, exhibits like 135 and so on,
23 are there any similar documents for
24 management coach bonuses at H&M?

25 A. I'm not certain.

Monica Frank November 18, 2016

1 Frank

2 like to see that.

3 MR. SATENBERG: Okay. We can
4 talk about that later.

5 Q. So is it your testimony that
6 H&M actually does, in fact, recalculate
7 overtime pay to employees who have
8 received bonuses in California?

9 A. Yes.

10 MR. HYUN: 140.

11 (Exhibit 140, document Bates
12 stamped Bates stamp S.LAO-1 through
13 38, wage statements for plaintiff
14 Ser Lao, marked for identification,
15 as of this date.)

16 Q. Ms. Frank, I've handed you
17 what I've marked as Exhibit 140, Bates
18 stamp S.LAO-1 through 38. These are wage
19 statements for plaintiff Ser Lao. I'm
20 not sure if you've seen these before or
21 not.

22 Do you know what these
23 documents are that comprise Exhibit 140?

24 A. Pay stubs.

25 Q. Are these the pay stubs that

Monica Frank November 18, 2016

1 Frank
2 H&M provides to its employees?

3 A. Yes.

4 Q. And so this format of pay
5 stubs in Exhibit 140 is similar to the
6 pay stubs that are actually distributed
7 by H&M to its other employees in
8 California?

9 A. Yes.

10 Q. Have these pay stubs changed
11 in the formatting in any way at any time
12 from December 2011 through the present or
13 do they pretty much look the same as
14 this?

15 A. I don't recall.

16 Q. Ms. Frank, if you could please
17 turn to Bates stamp 25, S.LAO-25 of
18 Exhibit 140.

19 A. Okay.

20 Q. If you look at this document,
21 it's a little hard to read because of the
22 copy, but at the middle of the page on
23 this pay stub, you see the pay period
24 start and end date?

25 A. Oh, period start, yes.

Monica Frank November 18, 2016

Frank

Q. Do you agree with me that the period start and end date appear to be January 4, 2015 until January 17, 2015?

A. Yes.

Q. And the pay date is January 23, 2015?

A. Yes.

Q. And if you look a little bit lower on the left, you see quarterly bonus?

A. Yes.

Q. And you see the amount of \$446.14?

A. Yes.

Q. So do you agree with me that based on this pay stub it appears that Mr. Lao earned a quarterly bonus of \$446.14 for the pay period of January 4 through January 17, 2015?

MR. SATENBERG: Vague and ambiguous.

A. That would have been for -- he would have achieved that during Q4 of 2014. That's just when it was paid out.

Monica Frank November 18, 2016

1 Frank

2 Q. Ms. Frank, if you could turn
3 back to Exhibit 135, 2013 H&M U.S. sales
4 bonus, and turn to the last page, Bates
5 stamp 431.

6 A. Yes.

7 Q. That seems to me to say that
8 the overtime recalculation will be paid
9 in the same pay period as the bonus?

10 A. Right.

11 Q. So based on this bullet and
12 your earlier testimony, then shouldn't
13 the overtime rate be higher on Exhibit
14 140, Bates stamped 24?

15 A. No.

16 Q. Why is that?

17 A. Because that has to do with a
18 payroll calculation. A bonus calculation
19 is shown as a bonus line item. It's
20 separate.

21 Q. Is it your testimony that you
22 include the overtime calculation in the
23 bonus itself, so that's why you don't
24 specify the higher overtime rate?

25 A. Correct.

Monica Frank November 18, 2016

1 Frank

2 Q. Would there be a way for an
3 employee to verify that his overtime had
4 been calculated correctly for the pay
5 period that he's paid a bonus if the rate
6 is not spelled out?

7 A. Sure.

8 MR. SATENBERG: Vague and
9 ambiguous.

10 Go ahead.

11 A. Sure.

12 Q. You would agree that that
13 would be confusing?

14 MR. SATENBERG: She didn't say
15 it was confusing.

16 A. I didn't say it was confusing.
17 I said they could find out.

18 Q. How would they find out?

19 A. By calling the compensation
20 department.

21 Q. So you agree that that
22 information is not contained on the pay
23 stub itself?

24 A. Correct.

25 Q. If you can please turn to

Monica Frank November 18, 2016

1 Frank

2 A. This bonus payment is not
3 during this pay period.

4 Q. What do you mean by that?

5 A. This bonus would be based on
6 hours worked in Q2, which for us is
7 March, April, May -- sorry, no. Q3.
8 That would have been for Q3, which is
9 June, July, August. So it's hours for
10 June, July, August. So the overtime
11 hours during September 28th and October
12 11th are not relevant to that bonus
13 payout.

14 Q. So it would be June, July,
15 August?

16 A. Yes.

17 Q. So just making it easier on
18 us, if you turn to the last page of
19 Exhibit 140 -- actually, just to be safe
20 and make sure it's entirely in August, if
21 you turn to S.LAO-37 of Exhibit 140, it
22 appears to be a pay period within the
23 quarter?

24 A. Um-hum.

25 Q. August 2014, do you agree?

Monica Frank November 18, 2016

Frank

A. Yes.

Q. Do you have any explanation as to why the overtime rate is still just 1.5 times \$22.22.

A. Because that is a payroll calculation and the bonus calculation is a separate line item.

Q. I understand your testimony. It's your same testimony that the overtime recalculation is already encompassed in the bonus itself, so that's why you don't specify on the wage statement in the overtime rate section a higher overtime rate?

A. Correct.

Q. The only way for the employee to verify whether he's been paid or he or she has been paid the overtime recalculation correctly is to call the compensation department?

A. Yes.

Q. And you agree that that information is not contained on the pay stub?

Monica Frank November 18, 2016

1 Frank

2 A. Yes.

3 MR. HYUN: 141.

4 (Exhibit 141, document Bates
5 stamped H&M 439 through 442,
6 entitled "2014 H&M U.S. Sales Bonus
7 Program Provisions," marked for
8 identification, as of this date.)

9 Q. Ms. Frank, I've handed you
10 what I've marked as Exhibit 141. It's
11 Bates stamped H&M 439 through 442. It's
12 a document entitled "2014 H&M U.S. Sales
13 Bonus Program Provisions"?

14 A. Yes.

15 Q. Ms. Frank, this appears to be
16 a similar version of the 2013 document we
17 reviewed earlier?

18 A. Correct.

19 Q. So what is Exhibit 141?

20 A. It's the guidelines for the
21 2014 fiscal years bonus programs.

22 Q. Is everything in Exhibit 141
23 accurate, to the best of your knowledge?

24 A. Yes.

25 Q. So Exhibit 141 accurately

2013 H&M-US Sales Bonus Program Provisions

The objective of this bonus program is to drive sales and profit through selling, people, efficiency, customer service and routines.

In order to do this, the managers must be sound in driving sales and efficiency, improving the look of store with visual standards, consistently using the 5 Basic Demands of Customer Service, obtaining good audit scores and continuously developing their staff.

Eligible Employees include:

- Members of the Regional Team who directly affect the financial results: Regional Manager, Regional Controller, Regional Visual Manager, and Regional HR Generalist.
- Members of the District Team who directly affect the financial results: District Manager, District Controller, District LP Manager, District Facilities Manager and District Visual Manager.
- Store Managers
- Department Managers, Store Visual Managers, Store Operation Managers, and Store HR Generalists

There are five bonus program variations that include different metrics and payout targets:

- Regional Bonus Program
- District Bonus Program
- Store Manager Bonus Program
- Department Manager Bonus Program
- Top 30 Exempt Store Manager Bonus Plan

The bonus period covers fiscal year 2013 (December 1st 2012 through November 30th 2013).

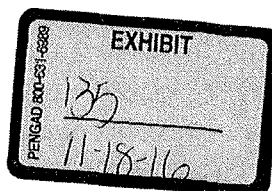
H&M reserves the right to change or alter its bonus program at any time.

This bonus program shall be administered without regard to race, color, religion, gender, age, national origin, marital status, or sensory, physical or mental disability, veteran status, sexual orientation or any other basis of discrimination prohibited by local, state and federal law.

Payout Periods

Quarterly Bonuses will be paid out on the first payroll date following April 15, 2013 (April 19, 2013), July 15, 2013 (July 12, 2013), October 15, 2013 (October 18, 2013), and closest to January 31, 2014 (January 24 2014) for the prior quarter's results (linked to the payroll cycle) at the pay rate of the last pay cycle of the quarter.

12/10/12



H&M000427

Employees must be active on H&M payroll on the actual bonus payout date to receive any bonus payment.

In the event that an employee is inadvertently overpaid for any reason (i.e., additional hours not actually worked, incorrect salary, inadvertent or overpayment of bonus, etc), the employee must notify their manager immediately so that the overpayment can be rectified immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck, except where state law dictates otherwise.

In the event that Payroll inadvertently makes an improper underpayment of bonus pay, the affected employee should immediately contact your manager or Human Resources so that the inadvertent error can be corrected as soon as possible.

Quarterly Bonus Specifics

- Employees are eligible for the bonus the 1st of the month after any applicable training period has concluded and the in-training title has been changed to the bonus eligible title.
- Employees must be hired or rehired on or before May 31st, 2013 to be eligible for any payouts of 2012 Quarterly Bonuses.
- For region and district quarterly bonuses, the results will be calculated based on the actual stores located within the region and/or district at the end of each quarter.
- For district/region bonuses, only comp stores are considered for sales and sold pieces takt.
- For districts/regions that are new and do not have any comp stores, the noncomp stores will be calculated for quarterly bonus sold pieces takt and Sales the quarter following 60 days after the opening date (i.e. store opens November 25- 60 days is January 25 so would not be eligible until Q2).
- When a store closes, the store will not be eligible for any bonus within the quarter it closes unless it was open for the full quarter. Any Employees booked to this store at the end of month 1 and/or month 2 thus will not be eligible for a prorated bonus for those months.
- The H&M global guideline to measure staff turnover is based on average staff within the period being measured. To calculate turnover, actual staff count and termination figures are used. They are not rolling numbers like the Monthly Turnover. The Staff Levels for the head count are used and a termination report is run to get the exits. The exits are multiplied by 4 to get an accurate number for the year. For example, if average staff count for the quarter is 154 and exits are 15, after multiplied the exits are 60 and the turnover for the location is 39%.
Please note terms that are processed late will be counted towards turnover result in the month it was entered.
- Bonus calculation and eligibility would start the 1st quarter after the store opening.

12/10/12

H&M000428

Top 30 Stores Quarterly Bonus Specifics

- The Top 30 stores for 2013 are designated at the beginning of the fiscal year based on 2013 annual sales budget.
- Employees must be hired or rehired on or before May 31st, 2013 to be eligible for any payout of this bonus.
- Employees need to be in a Top 30 Store for the full quarter to be eligible for the Top 30 Store Bonus payout and there will be no proration of the amount

Eligibility Criteria for Payment of All Bonus Plans

- Employees must be active on H&M Hennes & Mauritz, L.P. payroll, with the exception of someone on FMLA qualified leave, workers compensation, disability leave or other State qualified leave, on the above pay-out dates, to be eligible to receive this bonus payment. Bonuses will be paid out at the then-current salary of the employee.
- For employees on qualified leaves as designated above, the bonus amount to be paid will be prorated based on the employment status of the employee during the last pay period of each month. *Example for quarterly bonus:* Employee is on leave status for December and January and active status for February then he or she will receive 1/3 of the eligible Q1 bonus.
- Payments for employees, who are granted an approved leave of absence for military leave under USERRA and who return within the prescribed period for guaranteed reinstatement under USERRA, will be eligible for the entire earned bonus from the location they were in before they went out on leave or as determined in accordance with USERRA.
- For employees with official responsibility for multiple districts or stores, the employee may be eligible for the bonus for the district or store which achieves the greater bonus of the two for the set time period for both annual and quarterly bonuses.
- Employees will receive the bonus to the store, district, or region to which they are **cost centered** at the last day of month. This includes periods when they support other stores, districts, and regions but not other countries. For example, if an employee is supporting a pop up store, a new store opening or any other location on the last day of the month, they will not be eligible for any bonus their home store may have achieved. Please keep this in mind when sending out employees for support. It should be communicated as a development opportunity for them.
- The store must have been opened or re-opened before November 30, 2011 to be considered comparable.

Transfers for All Bonus Plans

- All bonus calculations will be based on the position and location that the employee is in during the last day of the month.
- Employees will be paid the bonus for the amount of time spent working in each different location. *Example for quarterly and annual bonus:* Employee works in store

12/10/12

H&M000429

A for 2 months and transfers to store B for 1 month. The employee will receive 2/3 of store A quarterly bonus and 1/3 of store B quarterly bonus. Employee works in store A for 5 months and laterally moves store B for 7 months. The employee will receive 5/12 of store A's annual bonus and 7/12 of store B's annual bonus.

Promotions for All Bonus Plans

- For employees promoted during the year to a bonus eligible position, the employee will be eligible the month the title change occurs which is after any applicable training period concludes. *Example:* District Visual Manager is in training for the Regional Manager position starting June 1st. The annual bonus would be paid out for the first 6 months of results (December –May) from the District where they were the District Visual Manager. Then there would be approximately 60 days of non-eligibility when they were in training and title should be changed to reflect REG MGR –TRNG. The title change to REG MGR is made on August 5th so the employee would receive the Regional bonus plan from August through November.

Demotions or Lateral Moves for All Bonus Plans

- If an employee changes position to a non-bonus eligible role, including District/Regional non-bonus eligible position, Support Office role or warehouse non-union position, he or she will receive a prorated bonus payout based on the amount of time the employee was in the bonus eligible position for both quarterly and annual bonuses.
- The Company reserves the right to withhold the prorated amount if the employee is being demoted due to performance issues or is on a final warning.
- If an employee changes position from one bonus eligible role to another similar or lower level bonus eligible role (Regional position to lateral Regional position, District position, or SM; District position to lateral District position or SM), he or she will be immediately eligible for the bonus plan of the new role and will receive all applicable bonus payout for the previous role due to the fact that there is no training that should need to occur. However, should the Sales or Region team determine that a training period is necessary, then see the rules noted above regarding ineligibility for a bonus until the training period is concluded.
- If an employee changes from a non-bonus eligible role to a bonus eligible role, any training period before the title change would apply and then the employee would become eligible.

Nonexempt Manager's Recalculation of OT

- When bonuses are paid to nonexempt managers, the employee may also receive an additional amount for any overtime worked during the bonus period.

12/10/12


H&M000430

- Any additional overtime recalculated amount will be paid in the same pay period as the bonus.

12/10/12

H&M000431

BONUS 2013



Hourly Store Staff

The purpose of the bonus program is to drive efficiency in our stores with the help of each and every person. Your team can achieve bonus by focusing on efficient call-off, register, fitting room, garment care routines and by providing excellent customer service!

We want to motivate everyone in order to meet and exceed our goals for 2013. You can make the difference!

☆ How do you get bonus?

Each month that your store achieves a **SOLD PIECES TAKT (SPT)** of 14.3 or more, eligible employees will receive a bonus! Check your Efficiency Goals poster to find out how your store did.

☆ What can you get?

- \$1.00 for every hour worked for the month
- \$1.50 for every overtime hour worked for the month
- \$2.00 for every double time hour worked for the month

☆ Who is eligible?

- FT & PT Sales Advisors
- FT & PT Stock Associates
- FT & PT Visual Merchandisers
- FT & PT Visual Key Holders
- FT & PT CORs
- FT & PT Supervisors
- FT & PT Shopfitters

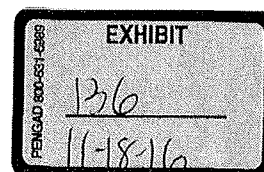
☆ When can I get bonus?

The bonus program is planned for December 1st, 2012 through November 30th 2013. Monthly Bonuses are planned to be paid out in 2013 on the following pay dates (subject to change):



February 8th (for December)	March 8th (for January)	April 5th (for February)	May 3rd (for March)	June 14th (for April)	July 12th (for May)
August 9th (for June)	September 6th (for July)	October 4th (for August)	November 15th (for September)	December 13th (for October)	January 2013 10th (for November)

H&M CARES



H&M000432

☆ **What's the *NEW* fine print?**

- Bonus and APR are both a part of your total annual compensation. APR increases and payout dates can change year to year for eligible staff. Just remember that our Efficiency Goal has changed this year for Sold Pieces TAKT. This means we really need you to help reach bonus this year!
- Employees are eligible for bonus of the location and position they are cost centered to during the last day of each month. This includes periods of support. There will be no proration.
- Stores that open in 2013 will be eligible for the bonus the quarter following their opening date. Q1 begins December, Q2 begins March, Q3 begins June and Q4 begins September.

☆ **What's the rest of the fine print?**

- Employees must be active on the payroll when the bonus is actually paid to receive bonus. For example, if an employee was eligible for the bonus in February, but is not active on the payroll when it gets paid out in April they will not receive bonus, unless federal or state law dictates otherwise.
- If an employee is inadvertently underpaid, he/she should immediately notify their Store Manager so the error may be corrected. The error must be corrected within two pay cycles, using the original paycheck method, to be fully rectified.
- If an employee is inadvertently overpaid, he/she must notify a Manager immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck, except where state law dictates otherwise.
- Employees are not eligible if he/she has an in-training title or is on leave status as of the last day of the month.
- H&M reserves the right to change or alter the bonus program at any time.



H&M CARES ♡

H&M000433

BONUS 2013

Store Management Team

(Department Manager, Store Operations Manager, Store Visual Manager
And Store Human Resources Generalist)

The purpose of the bonus program is to meet our goals for 2013. Your team achieves bonus by creating accurate function plans, motivating and encouraging your staff to be more efficient, using the Best Practices, and creating the best shopping experience for our customers with the 5 Basic Demands and Keep it Commercial.

We want to motivate everyone in order to meet and exceed our goals for 2013. You can make the difference!

☆ How do you get bonus?

For eligible employees to receive a bonus, the store must first achieve a Mystery Shop score of 90% or above for the quarter. If the store also achieves budget or higher for BOTH Sales and Sold Pieces TAKT, they will get a bonus! For example, if your store achieves a SPT & Sales average for the quarter of 3.0% but received a Mystery Shop score of 88%, the store will not be eligible. Your Region/District team will communicate the results at the end of each quarter.

☆ What can you get?

It's possible to get an extra 8 weeks of pay per year!

Quarterly SPT & Sales Results	Weeks Pay/Quarter
Lower than budget	No bonus
Budget - 2%	1 week*
2.01% and Higher	2 weeks*

*only if Quarterly Mystery Shop score is 90% or higher

☆ Who is eligible?

- Department Managers
- Store HR Generalist
- Store Visual Managers
- Store Operations Managers

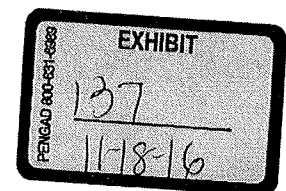
☆ When can you get bonus?

The bonus program is planned for December 1st, 2012 through November 30th 2013
Bonuses are planned to be paid out in 2013 on the following pay dates (subject to change):



April	July	October	January
19th	12th	18th	24th
for Q1	for Q2	for Q3	for Q4

H&M CARES



H&M000434

☆ **What's the *NEW* fine print?**

- Bonus and APR are both a part of your total annual compensation. APR increases and payout dates can change year to year for eligible staff. Just remember that the bonus threshold is higher this year – you need an average of 90% in Mystery Shop and you have to meet budget. This means we have to focus on sales, efficiency and customer service to reach bonus this year!
- A store must meet both Sales/Sold Pieces TAKT budget **AND** quarterly average Mystery Shop score to qualify for bonus. Bonus will be paid for the lower of the two results if they are not the same. For example, if a store achieves a Mystery Shop Score of 92%, a 6.3% increase to budget in Sales and a 2% increase to budget in Sold Pieces TAKT they will receive bonus of 1 week.
- Employees are eligible for bonus of the location and position they are cost centered to during the last day of each month. This includes periods of support. There will be no proration.

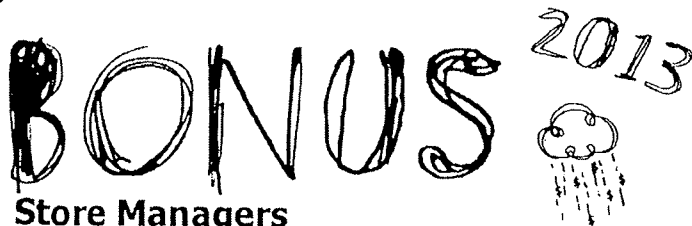
☆ **What's the rest of the fine print?**

- Employees must be active on the payroll when the bonus is actually paid to receive bonus. For example, if an employee was eligible for the bonus in Q2, but is not active on the payroll when it gets paid out in July they will not receive bonus, unless federal or state law dictates otherwise.
- If an employee is inadvertently underpaid, he/she should immediately notify their Store Manager so the error may be corrected. The error must be corrected within two pay cycles, using the original paycheck method, to be fully rectified.
- If an employee is inadvertently overpaid, he/she must notify a Manager immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck, except where state law dictates otherwise.
- Have questions about transfers, promotions, demotions and non-comp stores? There's even more info available on SIP. Check out the "2013 Bonus General Provisions" on SIP/ HUMAN RESOURCES/ COMPENSATION.
- H&M reserves the right to change or alter the bonus program at any time.



H&M CARES

H&M000435



BONUS 2013

Store Managers

The purpose of the bonus program is to meet our goals for 2013. You can achieve bonus with strong execution and follow up of the Driving Growth initiatives.

We want to motivate everyone in order to meet and exceed our goals for 2013. You can make the difference!

☆ **How do you get bonus?**

There are 3 ways to get bonus this year!

- Each quarter, the store must first achieve a Mystery Shop score of 90% or above. If the store also achieves budget or higher for BOTH Sales and Sold Pieces TAKT, you will receive bonus.
- Each quarter that your store achieves the Staff Turnover results given (32% or less) you will receive bonus.
- Each quarter that your store achieves 60% or higher Audit score you receive bonus.

☆ **What can you get?**

It's possible to get an extra 12 weeks of pay per year!

Quarterly SPT & Sales Results	Weeks Pay/Quarter
Lower than budget	No bonus
Budget - 2%	1 week*
2.01% and Higher	2 weeks*

*only if Quarterly Mystery Shop score is 90% or higher

Quarterly Audit Result	Weeks Pay/Year
64.99% or Lower	No bonus
65% and Higher	0.50

Quarterly Staff Turnover Results	Weeks Pay/Quarter
32.01% or higher	No bonus
32% and lower	0.50

☆ **When can you get bonus?**

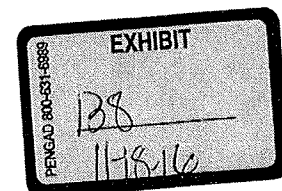
The bonus program is planned for December 1st, 2012 through November 30th 2013

Bonuses are planned to be paid out in 2013 on the following pay dates (subject to change):



April	July	October	January
19th	12th	18th	24th
for Q1	for Q2	for Q3	for Q4

H&M CARES



H&M000436

★ **What's the *NEW* fine print?**

- Bonus and APR are both a part of your total annual compensation. APR increases and payout dates can change year to year for eligible staff. Just remember that the bonus threshold is higher this year – you have to meet budget and quarterly average Mystery Shop score. This means we have to focus on sales, efficiency and customer service to reach bonus this year!
- A store must meet both Sales/Sold Pieces TAKT budget AND quarterly average Mystery Shop score to qualify for bonus. Bonus will be paid for the lower of the two results if they are not the same. For example, if a store achieves a Mystery Shop Score of 92%, a 6.3% increase to budget in Sales and a 2% increase to budget in Sold Pieces TAKT they will receive bonus of 1 week.
- Employees are eligible for bonus of the location and position they are cost centered to during the last day of each month. This includes periods of support. There will be no proration.

★ **What's the rest of the fine print?**

- Employees must be active on the payroll when the bonus is actually paid to receive bonus. For example, if an employee was eligible for the bonus in Q2, but is not active on the payroll when it gets paid out in July they will not receive bonus, unless federal or state law dictates otherwise.
- If an employee is inadvertently underpaid, he/she should immediately notify their Store Manager so the error may be corrected. The error must be corrected within two pay cycles, using the original paycheck method, to be fully rectified.
- If an employee is inadvertently overpaid, he/she must notify a Manager immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck, except where state law dictates otherwise.
- Have questions about transfers, promotions, demotions and non-comp stores? There's even more info available on SIP. Check out the "2013 Bonus General Provisions" on SIP/ HUMAN RESOURCES/ COMPENSATION.
- H&M reserves the right to change or alter the bonus program at any time.



H&M CARES

H&M000437

Management Coach Guidelines

Timeframe: 1 year (fiscal)

Applications: Must be received by Store Manager/District Manager. Applications must be received before September 1st.

Start Date: Due to business need, a District Manager can select new Management Coaches at any point during the year. The application process and Guidelines still apply. To be eligible for current year's bonus, applicant must become a Management Coach by September 1st.

Eligibility:

You must be chosen as a coach through the application process and have completed the application process.

If you are performing to expectations/guidelines mentioned below and in the 'Management Coach Criteria' form at the end of these 12 months, your Store/District Manager can automatically renew you as a Management Coach.

If you are not performing to these expectations, your Store/District Manager can decide to remove you from the program at any time during the timeframe mentioned above. You will be provided with written feedback/documentation for these reasons. If you show improvement in your areas of opportunity/focus, then you may reapply during the following year by partnering with your Store/District Manager.

Incentive Pay: A one time, lump sum payout for the year (which is taxed at a higher bonus rate) will be received in January of the next year if becoming a management coach on or before September 1st, and is contingent upon the following:

- 1) You have trained one (1) or more persons who have completed their introduction training plan. If the decision is made that the trainee will not move forward with their management position due to their own actions (documented and addressed); but you have met the expectations/guidelines of your role as a Management Coach, you will still be eligible. This is determined by your District Manager and the trainee's feedback.
- 2) You provide the trainee with the appropriate level of knowledge according to the Manager Checklist; which must be completed and signed; training objectives given by Store/District Manager, and by those defined in any Management Coach Criteria/Meeting. The signed copy must be submitted no later than 30 days after the training timeline is completed.
- 3) You participate in and provide the trainee with the expected feedback per the feedback timeline in the Management Coach Manual and the Management Training Survey form is received by the People Development Department (fax number provided on the form). Written feedback must be placed in employee's file. The Management Training Survey must be received no later than 30 days after the training timeline is completed.
- 4) You must be active management level employee (on active payroll as a Department or Store Manager); without any break in employment (for any reason other than an approved leave of absence) on the date the bonus payments are paid out.
- 5) If your trainee does not complete the training due to your actions (documented and addressed), you are no longer eligible for the bonus.
- 6) If you separate your employment from the company, or are demoted during the training calendar year, you are no longer eligible to receive the bonus.
- 7) If you receive a corrective action or have a performance issue, you will no longer be a trainer and thus will not receive the incentive.
- 8) All management coaches must agree and sign this form. The Store/District Manager will keep the original copy in your file. If you fail to provide a signed copy of the Guidelines for Management Coaches, you will not be eligible for the bonus. A signed copy of the form should also be faxed to the People Development department and kept on file with the Regional HR Generalist.

The amount of Management Coaches is based upon the District/Expansion need and will therefore change from season to season. This need is determined by the District Manager.

H&M reserves the right to change or alter this compensation administration at any time with or without prior notice.

Management Coach Name Print and Sign _____

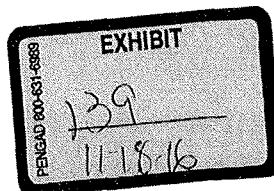
Date _____

District _____

Store _____

Updated April 2012
Copy to District Manager.

Original of this form in employee's file.
Copy to People Development Dept. (201) 246-4781



H&M000438

Notwithstanding to this document representation of Serilaoy's stack was provided from the Social Security
 R/V: 11/15/2016 04/26/2016

Date

H&M

04/17/15

D2011145

100 Paro Avenue
 North Arlington, NJ 07131

ADVICE OF DEPOSIT

\$1,015.40

SERILAO

NON-NEGOTIABLE

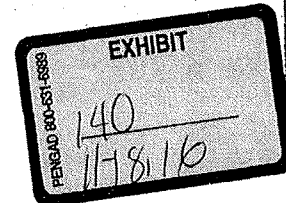
Employee SERILAO	ID 061147	Social Security XXX-XX-6811	Status US/CA/CA	Exemptions / Allowances US-40,575.00 CA-40,575.00	Number D2011145		
Card RANDOM	Payroll 1	Division 3611	Department 840	Hire Date 03/03/14	Period Start 03/26/15	Period End 04/11/15	Pay Date 04/17/15
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Net Pay	1,015.40	
Salary				4,189.14			
Regular Hourly Pay				11,359.24			
Overtime				459.43	Paid Time	Ytd Beg	Ytd
Vacation Pay Hourly				88.88	Off	Balance	Accrued
Wellness Hourly				288.86	WELL	18.33	39.67
Holiday Pay Hourly				538.28	VACATION	40.00	13.00
Group Term Life > \$50000				0.48	BANK	4.00	43.00
Travel Pay				411.07		12.00	36.00
Vacation Carry-over Hourly				177.76	PTO MAY NOT SHOW ACCURATE INFO		
Vacation Carry-over Salary				121.15			
Travel Overtime				33.33			
Deduct Pay				2,423.08	Direct Deposit Accounts		Amount
Travel Salary				212.02	Checking - XXXXXXXX1130		1,015.40
Quarterly Bonus			1,821.46	2,267.60			
Total			1,821.46	17,719.16			
				Memo Entries		Current	Year To Date
				Total Hours Worked			620.45
				Employer 401(k) Match		72.86	299.16
Taxes							
Federal Income Tax			428.04	2,410.44			
Social Security (FICA)			112.93	1,074.39			
Federal Medicare			26.41	251.27			
California Income Tax			113.00	1,077.29			
California State Disability			16.39	155.95			
Total			696.77	4,969.34			
Pre-tax Deductions							
Pre-tax Medical Plan				276.96			
401(k) Savings Plan	109.29			769.29			
DHMO Pre-tax Dental				13.20			
Voluntary Accident Insurance				100.20			
Total	109.29			1,159.65			
After-tax Deductions							
Supplemental Life				34.50			
GTL Auto Offset				0.48			
Hyatt Legal Plan				74.00			
Long Term Disability				21.83			
Total				130.81			

EXHIBIT

140

1178.16

PENGAD 800-651-6569



S.LAO-000016

Not to be used for anything other than the representation of a pay stub. This document is not a contract. It is provided for informational purposes only. Hennes & Mauritz, L.P. is not responsible for any errors or omissions in this document. Payroll will be paid on 07/20/17.

Don't



03/03/14

D17/57871

100 Porete Avenue
North Arlington, NJ 07031

ADVICE OF DEPOSIT

\$1,316.17

SERIALO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number				
SERIALO	061447	XX-XX-5601	US S O A S	US 2/0 \$25.00 CA 2/0 \$25.00	D1757871				
Code	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDM		361	040	03/03/14	07/20/14	08/02/14	08/08/14		
Maxable Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Balance
Regular Hourly Pay	22.0000	58.16	1,279.31	17,138.76	Off				
Overtime 1.5x	33.0000	0.05	1.65	576.95	WELL		37.33	9.00	28.33
Wellness Hourly	22.0000	6.00	132.00	198.00	VACATION		50.00		50.00
Holiday Pay Hourly				352.00	BANK				
Travel Pay	22.0000	16.00	352.00	539.00					
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00					
Total			1,764.96	19,068.71	PTO MAY NOT SHOW ACCURATE INFO				
				Direct Deposit Accounts					Amount
				Checking - XXXXXXXX1130					1,316.17
Taxes									Memo Entries Total Hours Worked 74.20 833.02
Federal Income Tax				213.73	2,411.98				
Social Security (FICA)				109.43	1,182.26				
Federal Medicare				25.60	278.50				
California Income Tax				82.38	864.99				
California State Disability				17.65	190.69				
Total				448.79	4,926.42				
W2 Gross				1,764.96	19,068.71				
Net Pay				1,316.17					

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 28-2133

ADP National Account Services
Creating the Future of Work

S.LAO-000017

Not for cash or cashless transaction. For electronic transaction, a Serila's payee has been provided from terms & conditions. Please refer to the system on 2/7/2014.

Done

08/22/14

D1770975

100 Porete Avenue
North Arlington NJ 07031

ADVISE OF DEPOSIT

\$1,305.47

SERIAL

NON-NEGOTIABLE

Employee SERIAL	ID	Social Security	Status	Exemptions/Allowance	Amount				
	051447	XXXXXX46917	US-SCA'S	US-2/0/\$25.00 CA-2/0/\$25.00	D1770975				
Grade	Pay Group	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDY		361	840	03/03/14	08/03/14	08/16/14	08/22/14		
Taxable Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Balance
Regular Hourly Pay	22.2200	78.67	1,747.97	18,886.78	Off				
Overtime 1.5x	33.3300	0.04	1.12	578.07	WELL		37.33	0.00	28.33
Wellness Hourly				198.00	VACATION		60.00		60.00
Holiday Pay Hourly				352.00	BANK				
Travel Pay				539.00					
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00	PTO MAY NOT SHOW ACCURATE INFO				
Total			1,749.09	20,817.80					
Taxes					Direct Deposit Accounts				Amount
Federal Income Tax			211.35	2,623.33	Checking - XXXXXXXX1130				1,305.47
Social Security (FICA)			108.44	1,290.70					
Federal Medicare			25.36	301.86					
California Income Tax			80.98	945.97	Memo Entries			Current	Year To Date
California State Disability			17.49	208.18	Total Hours Worked			78.70	911.72
Total			443.62	5,370.04					
W2 Gross			1,749.09	20,817.80					
Net Pay			1,305.47						

Hennies & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

National Account Services

S.LAO-000018

Note: All mandatory deductions and taxes are shown as a percentage of the gross pay. The net pay is provided from Hennes & Mauritz, L.P. Payroll Web Gate system on 12/22/14.

Done

12/12/14

D1884952

100 Porete Avenue
North Arlington, NJ 07031

ADVICTOR DEPOSIT

\$1,605.00

SER LAO

NON-NEGOTIABLE

Employee	Id	Social Security	State	Exemptions/Allowances	Number			
SER LAO	061447	2069X6911	US S.O.A.S	US 2/0 \$25.00 CA 2/0 \$25.00	D1884952			
Code	Pay Group	Division	Department	Hire Date	Period Start	Period End	Pay Date	
HANDOM		361	340	03/03/14	11/23/14	12/06/14	12/12/14	
Maxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd
Regular Hourly Pay	22.2200	79.61	1769.08	31,792.83	On	Balance	Accrued	Taken
Overtime 1.5x	33.3300	0.61	3317.19	960.83	WELL	37.33	20.00	17.33
Vacation Pay Hourly				711.04	VACATION	90.00	32.00	58.00
Wellness Hourly				442.42	BANK			
Holiday Pay Hourly	22.2200	8.00	177.76	707.52				
Travel Pay				827.12				
Travel Overtime				35.55	PTO MAY NOT SHOW ACCURATE INFO			
Biweekly Pay Hourly				177.76				
Quarterly Bonus				1,333.20	Direct Deposit Accounts			Amount
Adjust Regular Hours				198.00	Checking - XXXXXXXX1130			1,605.00
Adjust Travel Hourly				166.00				
Total			2,264.03	37,252.27				
				Memo Entries		Current	Year To Date	
				Total Hours Worked		89.13	1,518.07	
Taxes								
Federal Income Tax				334.04	4,893.30			
Social Security (FICA)				140.37	2,309.64			
Federal Medicare				32.83	540.16			
California Income Tax				129.15	1,783.42			
California State Disability				22.64	372.52			
Total				659.03	9,899.04			
W2 Gross				2,264.03	37,252.27			
Net Pay				1,605.00				

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

National Account Services

S.LAO-000019

Note: In the event of a dispute, the arbitration provision of the H&M Payroll Agreement shall apply. Payment was provided from Hennes & Mauritz.
 H&M Payroll Work Order Number: 01/20/15



100 Porete Avenue
 North Arlington, NJ 07031

ADVICE OF DEPOSIT

SERIAL

12/26/14

D1899824

\$1,428.08

NON-NEGOTIABLE

Employee SER LEO	ID 061447	Special Security XX-XX-69	City NY	Status US SICA-S	Exemptions / Allowances US-201525.00 CA-201525.00				Number D1899824
Code HANDM	Pay Group		Division 361	Department 840	Hire Date 03/03/14	Period Start 12/07/14	Period End 12/20/14	Pay Date 12/26/14	
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd	
Regular Hourly Pay	22.2200	79.03	766.11	33,548.94	Off	Balance	Accrued	Taken	
Overtime Pay	33.3300	5.20	173.32	1,104.15	WELL		37.33	21.00	
Vacation Pay Hourly				711.04	VACATION		100.00	32.00	
Sickness Pay Hourly	22.2200	1.00	22.22	464.64	BANK				
Holiday Pay Hourly				157.62					
Travel Pay				827.12					
Travel Overtime				35.55	PTO MAY NOT SHOW ACCURATE INFO				
Birthday Pay Hourly				177.76					
Quarterly Bonus				1,333.20					
Adjust Regular Hours				198.00	Direct Deposit Accounts			Amount	
Adjust Travel Hourly				66.00	Checking - XXXXXXXX1130			1,428.08	
Total			951.65	39,203.92					
Taxes					Memo Entries		Current	Year To Date	
Federal Income Tax			255.94	5,149.24	Total Hours Worked		84.23	1,602.30	
Social Security (FICA)			121.00	2,430.64					
Federal Medicare			28.30	568.46					
California Income Tax			98.81	1,882.23					
California State Disability			19.52	392.04					
Total			523.57	10,422.61					
W2 Gross			951.65	39,203.92					
Net Pay			428.08						

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services

S.LAO-000020

0192474

ADVICE ON DEPOSIT

51-18836

GERILAO

NON-NEGOTIABLE

Employee SERIAL#	IN	Start Date	City	State	Exempt/Allowance	Numbr	
	001147	03/03/14	US-STATE		US-2017500000-20175000	018-2171	
Grade	Revenue	Division	Department	Hire Date	Period Start	Period End	Pay Date
NAME				03/03/14	01/18/16	03/31/16	02/08/16
Hourly Earnings	Rate	Hours	Units	Current	Year To Date	Paid Time	Ytd Beg
Regular Hourly Pay	22.2200	12.00		266.64	4654.70	101.00	Balance
Overtime - 15%	35.3300	0.00		0.00	446.63	WELL	Accrued
Vacation Pay Hourly	22.2200	2.00		44.44	88.88	VACATION	Taken
Sickness Hourly	22.2200	0.00		0.00	0.00	BANK	Balance
Holiday Pay Hourly	22.2200	0.00		0.00	0.00		
Travel Pay	22.2200	0.50		11.11	22.22		
Vacation carry over Hourly	35.3300	0.00		0.00	53.33		
Travel carry over					11.11		
Overhead Bonus					446.64	Direct Deposit Accounts	Amount
TOTAL				1,608.00	6,614.05	Checking - XXXXXXXX1130	1,188.36
Notes							
Federal Income Tax				259.97	965.23	Memo Entries	Current
Social Security (FICA)				108.35	400.22	Total Hours Worked	68.90
Federal Medicare				25.34	93.60		238.38
California Income Tax				128.72	386.31		
California State Disability				15.73	58.10		
TOTAL				538.11	1,903.46		
Pretax Deductions							
Pretax Medical Plan				34.62	103.86		
PRMO Pretax Dental				1.65	4.95		
Voluntary Accident Insurance				25.05	50.10		
TOTAL				61.32	158.91		
After-tax Deductions							
Hyatt Legal Plan				18.50	37.00		
Long Term Disability				2.61	7.83		
TOTAL				21.11	44.83		
W2 Gross				1,747.58	6,455.14		
Net Pay				1,188.36			

ADP

National Account Services

S.LAO-000021

ADP
100 Porete Avenue
North Arlington, NJ 07031
(201) 428-2133

02/20/15 ID: 956368

ADMIT TO DEPOSIT \$12,201

SERIAL: [REDACTED]

NON-NEGOTIABLE

Employee	ID	Serial	Status	Exemption/Allowance	Number
SERIAL	001417	XXXXXX6911	US S/O AS	US 410175000A 41017500	0156368

Card	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date
HANDB		361	340	03/03/14	02/01/15	02/14/15	02/20/15

Rate	Hr/Unit	Current	Year to Date	Paid Time	Ytd Beg	Ytd End	Ytd Bal
Regular Hourly Pay	22.2200	77.27	6,504.54	01	Balance	Accrued	Taken
Overtime Pay	33.3300	0.55	17.79	WELL	10.33	39.67	10.00
Vacation Pay Hourly			88.88	VACATION		20.00	4.00
Sickness Hourly	22.2200	1.00	22.22	BANK		68.00	4.00
Holiday Pay Hourly			355.52				
Travel Pay	22.2200	3.00	66.66				
Vacation Carry Over Hourly			88.88	PTO MAY NOT SHOW ACCURATE INFO			
Travel Over Limit			33.33				
Quarterly Bonus			446.14	Direct Deposit Accounts			
Total		1739.28	8,853.93	Checking: XXXXXXXX1130			Amount: 1,232.01

Taxes	Current	Year To Date
Federal Income Tax	207.13	1,472.36
Social Security (FICA)	105.59	505.61
Federal Medicare	24.69	118.29
California Income Tax	115.66	501.97
California State Disability	15.32	73.42
Total	468.39	2,371.65

Pre-Tax Deductions	Current	Year To Date
Pre-Tax Medical Plan	34.62	138.48
DMO Pre-Tax Dental	1.65	6.60
Voluntary Accident Insurance		50.10
Total	36.27	195.18

After-Tax Deductions	Current	Year To Date
Hyatt Legal Plan		37.00
Long Term Disability	2.61	10.44
Total	2.61	47.44

W2 Gross	Current	Year To Date
	1,703.01	8,158.15

Net Pay	Current	Year To Date
	1,232.01	

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services


S.LAO-000022

NON-NEGOTIABLE

Employee	RI	Social Security	Stains	Exemptions/Allowance	Number		
SERIAL#	051447	XXXXXX6911	US SICATS	US 2015250101012012500	D1914351		
Grade	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date
GRAND		361	820	03/03/14	12/21/14	01/03/15	01/09/15
Variable Earnings	Rate	Hr Units	Current	Year To Date	PTOMAY NOT SHOW ACCURATE INFO		
Regular Hourly Pay	22.2200	60.00	777.60	1777.60			
Overtime 1.5x	33.3300	7.98	266.08	266.08			
Holiday Pay/Hourly	22.2200	16.00	355.52	355.52	Direct Deposit Account		
Total			399.20	2,393.20	Checking XXXXXXXX1130 Amount 11634.30		
Taxes					Memo Entries	Current	Year To Date
Federal Income Tax			348.65	348.65	Total Hours Worked	87.98	87.98
Social Security (FICA)			144.95	144.95			
Federal Medicare			33.90	33.90			
California Income Tax			133.93	133.93			
California State Disability			21.04	21.04			
Total			682.47	682.47			
Pre-tax Deductions							
Pre-tax Medical Plan			34.62	34.62			
DMO Pre-tax Dental			1.65	1.65			
Voluntary Accident Insurance			25.05	25.05			
Total			61.32	61.32			
After-tax Deductions							
Hyatt Legal Plan			18.50	18.50			
Long Term Disability			2.61	2.61			
Total			21.11	21.11			
W2 Gross			2,337.88	2,337.88			
Net Pay			1,634.30				

ADP National Account Services
 1-800-368-5848 • www.adpna.com

S,LAO-000023


 01/23/15
 D1926821


100 Porete Avenue
 North Arlington, NJ 07031

ADVICE OF DEPOSIT
\$1,417.19

SER LAO
 NON-NEGOTIABLE

Employee SER LAO	ID 01147	Social Security XXXXXX6111	State US SCA S	Exemptions/Allowances US 20 2500 0A 20 2500	Number D1926821		
Code HANDM	Payroll 1	Division 361	Department 840	Hire Date 03/03/14	Period Start 01/08/15	Period End 01/17/16	Pay Date 01/23/15
PTO MAY NOT SHOW ACCURATE INFO							
Eligible Earnings	Rate	Hours	Current	Year To Date			
Regular Hourly Pay	22.2200	76.00	1,680.94	3,468.84			
Overtime Pay	33.3300	5.40	179.89	446.07			
Holiday Pay/Hourly				255.62			
Vacation Pay/Hourly	22.2200	4.00	88.88	88.88			
Total			1,959.61	4,359.01			
				Memo Entries	Current	Year To Date	
				Total Hours Worked	81.50	168.40	
Taxes							
Federal Income Tax			245.07	593.72			
Social Security (FICA)			119.26	264.21			
Federal Medicare			27.88	61.79			
California Income Tax			94.21	228.14			
California State Disability			17.31	88.35			
Total			503.74	1,106.21			
Pre-tax Deductions							
Pre-tax Medical Plan			34.62	69.24			
DHMO Pre-tax Dental			1.65	3.30			
Voluntary Accident Insurance				25.05			
Total			36.27	97.59			
After-tax Deductions							
Hyatt Legal Plan				18.50			
Long Term Disability			2.61	5.22			
Total			2.61	23.72			
W2 Gross			1,923.54	4,281.42			
Net Pay			1,417.19				

Hermes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133


ADP National Account Services

S.LAO-000024

Not for cash payment. This document is a representation of a pay statement provided by Hennes & Mauritz, L.P. to the employee.
 Account: 01/23/15

Done



01/23/15

D1923822

100 Porete Avenue
 North Arlington, NJ 07031

ADVISE OF DEPOSIT

\$267.00

SER:LAO

NON-NEGOTIABLE

Employee	ID	Social Security	State	Employment/Allowance	Number	
SER:LAO	081147	XXXXXX3811	US:GA:US	US:210:325:00/0:325:00	D1923822	
Code	Division	Department	Hire Date	Period Start	Period End	Pay Date
HANDM	336	140	03/03/14	01/04/15	01/17/15	01/23/15
Taxable Earnings	Rate	Hours	Current	Year To Date	PTO MAY NOT SHOW ACCURATE INFO	
Regular Hourly Pay			446.84			
Overtime (15)			446.07			
Holiday Pay (Hourly)			355.62			
Vacation Carry-over (Hourly)			88.88			
Quarterly Bonus			446.14	446.14		
Total			446.14	4,805.15		
				Memo Entries	Current	Year To Date
				Total Hours Worked		169.48
Taxes						
Federal Income Tax			111.64	705.26		
Social Security (FICA)			27.66	281.87		
Federal Medicare			6.47	66.26		
California Income Tax			29.45	257.59		
California State Disability			4.02	42.37		
Total			178.14	1,345.35		
Pre-tax Deductions						
Pre-tax Medical Plan				69.24		
BHMO Pre-tax Dental				3.30		
Voluntary Accident Insurance				25.05		
Total				97.59		
After-tax Deductions						
Hyatt Legal Plan				18.50		
Long Term Disability				5.22		
Total				23.72		
W2 Gross			446.14	4,707.56		
Net Pay			267.00			

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

National Account Services

S.LAO-000025

Not a negotiable instrument. This document is available online at www.hennescmauritz.com or by calling 1-800-444-4444. For more information, please visit www.hennescmauritz.com or call 1-800-444-4444.

Done

H&M

07/11/14

101732605

100 Porete Avenue
North Arlington, NJ 07031

ADVISE OF DEPOSIT


\$1,352.82

SERIAL#

NON-NEGOTIABLE

Employee SERIAL#	10 001247	Social Security XXX-XX-6011	Status US-SCA-S	Exemptions/Allowances US-2/0 \$25.00 CA-2/0 \$25.00				Number D1732605
Code 12NDM	Paygroup		Division 361	Department 360	Hire Date 03/03/14	Period Start 06/22/14	Period End 07/05/14	Pay Date 07/11/14
Exempt Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd
Regular Hourly Pay	22.0000	72.87	1,603.07	14,293.41	Off	Balance	Accrued	Taken
Overtime Pay	33.0000	4.27	141.80	308.55	WELL	37.33	3.00	34.33
Sick Pay				66.00	VACATION	40.00		40.00
Holiday Pay	22.0000	8.00	176.00	352.00	BANK			
Travel Pay				187.00				
Adjust Regular Hours				198.00				
Adjust Travel Hours				66.00	PTO MAY NOT SHOW ACCURATE INFO			
Total			1,620.87	15,470.96				
Direct Deposit Accounts				Checking - XXXXXXXX1130		Amount		
Taxes						1,352.82		
Federal Income Tax	223.25			1,972.02				
Social Security (FICA)	112.89			959.20				
Federal Medicare	26.40			224.33		Memo Entries		
California Income Tax	87.30			694.26		Current		
California State Disability	18.21			154.71		Date		
Total	468.05			4,004.52		74.13 679.55		
W2 Gross	1,620.87			15,470.96				
Net Pay	1,352.82							

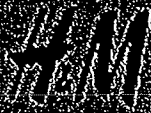
Hennesc & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

 National Account Services

S.LAO-000026

Not for circulation outside this electronic representation of Serlano's pay record was produced from Hennes & Mauritz, L.P.'s Payroll Work Center system on 3/7/2015.

ID: 010



07/25/14

D1745137

100 Porete Avenue
North Arlington, NJ 07031

ADVICE OF DEPOSIT

\$1,359.68

SER: LAO



NON-NEGOTIABLE

Employee	ID	Social Security	State	Exemptions/ Allowances	Number			
SER: LAO	061147	XXX-XX-6911	US: SCA: S	US: 2/0 \$25.00 CA: 2/0 \$25.00	D1745137			
Code	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date	
WANDM		361	840	03/03/14	07/06/14	07/19/14	07/25/14	
taxable Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd
Regular Hourly Pay	22.0000	71.19	1,566.04	15,859.45	OH	Balance	Accrued	Taken
Overtime 1.5x	33.0000	8.09	266.75	676.30	WELL		37.33	3.00
Wellness Hourly				66.00	VACATION		50.00	
Holiday Pay Hourly				352.00	BANK			
Travel Pay				187.00				
Adjust Regular Hourly				198.00				
Adjust Travel Hourly				66.00				
Total			1,832.79	17,303.75	PTO MAY NOT SHOW ACCURATE INFO			
				Direct Deposit Accounts				Amount
				Checking - XXXXXXXX1130				1,359.68
				Taxes				
				Federal Income Tax				226.23
				Social Security (FICA)				113.63
				Federal Medicare				26.57
				California Income Tax				88.35
				California State Disability				18.33
				Total				473.11
				W2 Gross				1,832.79
				Net Pay				1,359.68

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133



National Account Services
Your Partner in Payroll

S.LAO-000027

Henness & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133
 Payroll Work Center system of 07/2013

Print

H&M

06/13/14

D1708895

100 Porete Avenue
 North Arlington NJ 07031

ADVICE OF DEPOSIT

\$1,555.90

SERLAO

NONNEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number			
SERLAO	061447	XX-XX-6911	US SOA S	US/20 \$25.00 CA/20 \$25.00	D1708895			
Cater	Payroll	Division	Department	Hire Date	Period Start	Period End	Pay Date	
HANDM		361	840	03/03/14	05/25/14	06/07/14	06/13/14	
Taxable Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd End	Balance
Regular Hourly Pay	22.0000	79.58	1,760.83	10,931.50	Off	Balance	Accrued	Taken
Overtime - 1.5x	33.0000	7.56	249.70	265.65	WELL	37.33	4.00	34.33
Sickness Hourly				66.00	VACATION	30.00		30.00
Holiday Pay Hourly	22.0000	8.00	176.00	176.00	BANK			
Travel Pay				187.00				
Adjust Regular Hours				98.00				
Adjust Travel Hourly				66.00				
Total			2,176.53	11,890.45				
				RTO MAY NOT SHOW ACCURATE INFO				
				Direct Deposit Accounts		Amount		
				Checking - XXXXXXXX1130		1,555.90		
Taxes								
Federal Income Tax			312.16	1,535.83				
Social Security (FICA)			134.95	737.21				
Federal Medicare			31.56	172.41	Memo Entries		Current	Year To Date
California Income Tax			120.20	525.05	Total Hours Worked		87.15	525.45
California State Disability			21.76	118.90				
Total			620.63	3,089.40				
W2 Gross			2,176.53	11,890.45				
Net Pay			1,555.90					

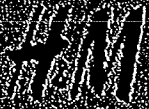
Henness & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services

S.LAO-000028

Note to financial institutions: This electronic representation of Serlao's pay stub was provided from Hennes & Mauritz, L.P.'s Payroll WorkCenter System on 6/27/2014.

Done



100 Porete Avenue
North Arlington, NJ 07031

06/27/14

D1720549

ADVICE OF DEPOSIT

\$1,312.57

SER/LAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions / Allowances	Number				
SER/LAO	061447	XXX-XX-6911	US-SICARS	US-20 \$25.00; CA-20 \$25.00	D1720549				
Code	Pay Code	Division	Department	Hire Date	Period Start	Period End	Pay Date		
THANDM		361	840	03/03/14	06/08/14	06/21/14	06/27/14		
Taxable Earnings	Rate	Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Balance
Regular Hourly Pay	22.0000	79.94	1,758.54	12,690.34	Off				
Overtime Pay	33.0000	0.04	1.10	266.75	WELL		37.33	3.00	34.33
Wellness Hourly				66.00	VACATION		40.00		40.00
Holiday Pay Hourly				176.00	BANK				
Travel Pay				187.00					
Adjusted Regular Hours				188.00					
Adjusted Travel Hourly				66.00	PTO MAY NOT SHOW ACCURATE INFO				
Total			1,759.64	13,650.09					
Direct Deposit Accounts					Amount				
Checking - XXXXXXXX1130					1,312.57				
Taxes									
Federal Income Tax			212.94	1,748.77					
Social Security (FICA)			109.10	846.31					
Federal Medicare			25.52	197.93	Memo Entries				Year To Date
California Income Tax			81.91	606.96	Total Hours Worked			Current	605.42
California State Disability			17.60	136.50					
Total			447.07	3,536.47					
W2 Gross			1,759.64	13,650.09					
Net Pay			1,312.57						

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133



National Account Services

S.LAO-000029

H&M

03/06/15 D: 969352

100 Porec Avenue North
North Arlington, NJ 07031

ADVICT OF DEPOSIT

SER LAG

NON-NEGOTIABLE

EMPLOYER	ID	SSN	Div	Status	SE	Emplons/Allo	Num Bal
SER LAG	061417	XX-XX-XXXX	011	US-S-O-A-S	US-70375-00-0A-10375-00		10375-00
Code	Pay Code	Division	Department	File Date	Period Start	Period End	Pay Date
HANDY		061417	1800	03/03/14	02/15/15	02/28/15	03/05/15
Exempt	Rate	Hrs/Units	Current	Year to Date	Paid Time	Ytd Beg	Ytd
Regular Hourly Pay	22.2200	64.70	1437.63	7942.17	Off	Balance	Accrued
Overtime-Hrs	33.3300	0.14	2.45	451.64	WELL	16.33	39.67
Vacation Pay Hourly				88.88	VACATION	20.00	4.00
Wellness Hourly	22.2200	5.00	68.68	268.84	BANK	68.00	18.00
Holiday Pay Hourly	22.2200	8.00	177.76	533.28			280.00
Travel Pay	22.2200	5.00	111.10	289.97			
Vacation Carry over Hourly	22.2200	4.00	88.88	17.76			
Travel Overtime				33.33			
Quartern Bonus				446.34			
Total			1,866.48	10,239.81	Direct Deposit Accounts		Amount
					Checking - XXXXXXXX1130		1,296.12
Pre-tax Deductions							
Federal Income Tax			225.46	1,397.82	Memo Entries		Year To
Social Security (FICA)			113.16	618.97	Total Hours Worked	Current	Date
Federal Medicare			26.47	144.76		69.83	385.48
California Income Tax			126.41	628.38			
California State Disability			16.43	88.85			
Total			507.93	2,679.78			
After-tax Deductions							
Hyatt Medical Plan			34.62	173.10			
OHMO Pre-tax Dental			1.65	8.25			
Voluntary Accident Insurance			25.05	75.15			
Total			61.32	256.50			
After-tax Deductions							
Hyatt Legal Plan			18.50	55.50			
Long Term Disability			2.61	13.05			
Total			21.11	68.55			
W2 Gross			1,825.16	9,983.31			
Net Pay			1,296.12				

Hennies & Mauritz, L.P. • 100 Porec Avenue North Arlington, NJ 07031 • (201) 428-2133

ASP National Account Services

S:LAO-000030

Notwithstanding to whom this check is made payable, the electronic representation of this check was provided to Hennes & Mauritz, L.P. via the ACH system on 11/14/2015.

Done

H&M

11/14/14

ID1855049

100 Porete Avenue
North Arlington NJ 07031

ADVANCE DEPOSIT

\$1,344.23

SER:LAO

NON-NEGOTIABLE

Employee	Id	Social Security	Status	Exemptions/Allowances	Number				
SER:LAO	061447	XX-XX-6611	US-SOA-S	US-2/0 \$25.00 CA-2/0 \$25.00	D1855049				
Code	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDME		361	840	03/03/14	10/26/14	11/08/14	11/14/14		
Payable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Ytd Balance
Regular Hourly Pay	22.2200	73.72	637.98	28,268.74	Off				
Overtime 1.5x	33.3300	0.70	23.34	639.19	WELL			37.33	20.00
Vacation Pay Hourly				711.04	VACATION			80.00	32.00
Wellness Hourly				442.42	BANK				
Holiday Pay Hourly				529.76					
Travel Pay	22.2200	4.93	109.62	827.12	PTO MAY NOT SHOW ACCURATE INFO				
Travel Overtime	33.3300	1.07	35.55	35.55					
				177.76					
Birthday Pay Hourly				1,333.20	Direct Deposit Accounts				Amount
Quarterly Bonus				198.00	Checking - XXXXXXXX1130				1,344.23
Adjust Regular Hours				66.00					
Adjust Travel Hourly				33,228.78					
Total			1,806.49						
					Memo Entries			Current	Year To Date
					Total Hours Worked			80.42	1,349.82
Taxes									
Federal Income Tax			219.96	4,346.35					
Social Security (FICA)			112.00	2,060.18					
Federal Medicare			26.20	481.82					
California Income Tax			86.03	1,572.38					
California State Disability			18.07	332.29					
Total			462.26	8,793.02					
W2 Gross			1,806.49	33,228.78					
Net Pay			1,344.23						

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services

S.LAO-000031

Not to be used for financial institutions. This document is a representation of a pay statement and is not a contract. It is subject to change without notice. The information on this document is for informational purposes only and does not constitute an offer of insurance or any other financial product. The information on this document is for informational purposes only and does not constitute an offer of insurance or any other financial product.

(Done)

100 Porete Avenue
North Arlington, NJ 07031

11/23/14

D1369834

ADVICE OF DEPOSIT

\$1,312.47

SERILAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions / Allowances	Number				
SERILAO	06147	XXX-XX-6614	US SCALS	US 2/0 325.00 CA 2/0 325.00	D1369834				
Code	PAYGROUP	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDM		861	840	03/03/14	11/09/14	11/22/14	11/28/14		
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Balance
Regular Hourly Pay	22.2200	78.99	755.01	30,023.75	Off				
Overtime 1.5x	33.3300	0.13	4.45	643.64	WELL			37.33	20.00
Vacation Pay Hourly				711.04	VACATION			90.00	32.00
Wellness Hourly				442.42	BANK				
Holiday Pay Hourly				529.76					
Travel Pay				827.12					
Travel Overtime				35.55					
Birthday Pay Hourly				177.76					
Quarterly Bonus				1,333.20					
Adjust Regular Hours				188.00	Direct Deposit Accounts				Amount
Adjust Travel Hourly				66.00	Checking - XXXXXXXX1130				1,312.47
Total			759.46	34,988.24					
Taxes					Memo Entries		Current	Year To Date	
Federal Income Tax			212.91	4,559.26	Total Hours Worked		79.12	1,428.94	
Social Security (FICA)			109.09	2,169.27					
Federal Medicare			25.51	507.33					
California Income Tax			81.89	1,654.27					
California State Disability			17.59	349.88					
Total			446.99	9,240.01					
W2 Gross			1,759.46	34,988.24					
Net Pay			1,312.47						

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services

S.LAO-000032

Done



101811392

ADVICE OF DEPOSIT

5513398

© 1994 RCA

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number				
9-RIAO	061447	0000XXXX69117	US-SEA-S	US-2/0 \$25.00 CA-2/0 \$25.00	D1811392				
Code	Pay Group	Rate	Division	Department	Hire Date	Period Start	Period End	Pay Date	
RANDM			361	840	03/03/14	09/14/14	09/27/14	10/03/14	
Available Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Ytd Balance
Regular Hourly Pay	22.2200	64.60	495.41	23,294.80	Off				
Overtime 1.5x	33.3300	0.25	8.33	600.85	WELL		37.33	20.00	17.33
Vacation Pay Hourly	22.2200	8.00	177.76	533.28	VACATION		70.00	24.00	46.00
Sick Pay Hourly				442.42	BANK				
Holiday Pay Hourly				529.76					
Travel Pay	22.2200	8.03	178.50	717.50					
Birth Day Pay Hourly				177.76					
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00					
Total			800.00	26,560.37	Direct Deposit Accounts				Amount
					Checking - XXXXXXXX1130				1,339.85
Gross									Year To Date
Federal Income Tax			218.99	3,365.69	Memo Entries		Current		
Social Security (FICA)			111.60	1,646.74	Total Hours Worked		72.88	1,118.82	
Federal Medicare			26.10	385.13					
California Income Tax			85.46	1,233.71					
California State Disability			18.00	265.60					
Total			460.15	6,896.87					
W2 Gross			800.00	26,560.37					
Net Pay			1,339.85						

AP National Account Services

S.LAO-000033

Electronic Representation of Payroll
 Payroll Work Order System 9/7/2016

Doc#

H&M

10/17/14

D1826224

100 Porete Avenue
 North Arlington, NJ 07031

ADVANCE DEPOSIT

\$1,346.99

SER LAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions / Allowances			Number
SER LAO	061447	XXX-XX-6911	US-S-C-A-S	US-2/0 \$25.00	CA-2/0 \$25.00		D1826224
Code	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date
IN/NDM		361	840	03/03/14	09/28/14	10/11/14	10/17/14
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd
Regular Hourly Pay	22.2200	77.07	742.42	25,007.22	Off	Balance	Accrued
Overtime 1.5x	33.3300	0.28	9.44	610.29	WELL		37.33
Vacation Pay Hourly	22.2200	4.00	88.88	622.16	VACATION		70.00
Sickness Hourly				442.42	BANK		28.00
Holiday Pay Hourly				529.76			42.00
Travel Pay				717.50			
Birthday Pay Hourly				177.76	PTO MAY NOT SHOW ACCURATE INFO		
Adjusted Regular Hourly				198.00			
Adjusted Travel Hourly				66.00	Direct Deposit Accounts		
Total			810.74	28,371.11	Checking - XXXXXXXX1130		
							Amount
							1,346.99
Taxes							Year To
Federal Income Tax			220.71	3,586.40	Memo Entries		Date
Social Security (FICA)			112.27	1,759.01	Total Hours Worked		Current
Federal Medicare			26.25	411.38			77.35
California Income Tax			86.41	1,320.12			1,196.17
California State Disability			18.11	283.71			
Total			463.75	7,360.62			
W2 Gross			810.74	28,371.11			
Net Pay			1,346.99				

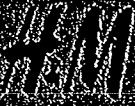
Hennés & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

ADP National Account Services

S.LAO-000034

Note to recipient: This document, representation of SER LAO pay record was provided from Hennes & Mauritz, L.P. Payroll/HR system on 3/7/2013.

Done



10/31/14

D1840612

100 Porele Avenue
North Arlington NJ 07031

ADVICE OF DEPOSIT

\$1,284.45

SER LAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number					
SER LAO	061447	XXXX-6911	US-SCA'S	US-20 \$2500 CA-20 \$2500	D1840612					
Code	Paygroup	Division	Department	Hire Date	Period Start	Period End	Pay Date			
HANDM		361	840	03/03/14	10/12/14	10/25/14	10/31/14			
Tractable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Ytd Balance	
Regular Hourly Pay	22.2200	73.06	1623.54	26,830.76	Off		37.33	20.00	17.33	
Overtime 1.5x	33.3300	0.17	5.56	616.85	WELL					
Vacation Pay Hourly	22.2200	4.00	88.88	711.04	VACATION		80.00	132.00	48.00	
Wellness Hourly				442.42	BANK					
Holiday Pay Hourly				529.76						
Travel Pay				717.50						
Birth Day Pay Hourly				177.76						
Quarterly Bonus				1,333.20						
Adjust Regular Hours				198.00	Direct Deposit Accounts				Amount	
Adjust Travel Hourly				66.00	Checking - XXXXXXXX1130				1,284.45	
Total			717.98	31,422.29						
Taxes					Memo Entries				Year To Date	
Federal Income Tax			206.69	4,126.39	Total Hours Worked			Current	73.23	1,269.40
Social Security (FICA)			106.51	1,948.18						
Federal Medicare			24.91	455.62						
California Income Tax			78.24	1,486.35						
California State Disability			17.18	314.22						
Total			433.53	8,330.76						
W2 Gross			1,717.98	31,422.29						
Net Pay			1,284.45							

PTO MAY NOT SHOW ACCURATE INFO

Direct Deposit Accounts
Checking - XXXXXXXX1130 Amount 1,284.45

Memo Entries
Total Hours Worked Current Date 73.23 1,269.40

Hennes & Mauritz, L.P. - 100 Porele Avenue North Arlington, NJ 07031 - (201) 428-2133



National Account Services

S.LAO-000035

Notwithstanding to whom this document is presented, the representation of Serlao's payables was provided from Hennes & Mauritz
 Payroll Accounting System on 07/20/15

Done

10/17/14

D1826225

100 Porete Avenue
 North Arlington, NJ 07031

ADVICE OF DEPOSIT

\$796.59

SERLAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number				
SERLAO	06147	XXX-XX-8911	US S/OA/S	US/20/\$25.00 CA/20/\$25.00	D1826225				
Code	Payment	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDV		361	840	03/03/14	09/28/14	10/11/14	10/17/14		
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg Balance	Ytd Accrued	Ytd Taken	Balance
Regular Hourly Pay				26,007.22	Off				
Overtime 1.5x				16.020	WELL		37.33	20.00	17.33
Vacation Pay Hourly				622.16	VACATION		70.00	28.00	42.00
Sickness Hourly				442.42	BANK				
Holiday Pay Hourly				529.76					
Travel Pay				717.50					
Birthday Pay Hourly				177.76					
Quarterly Bonus			1,333.20	1,333.20					
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00					
Total			1,333.20	29,704.31					
Taxes									
Federal Income Tax			333.30	3,919.70					
Social Security (FICA)			82.66	1,841.67					
Federal Medicare			19.33	430.71					
California Income Tax			87.99	1,408.11					
California State Disability			13.33	297.04					
Total			536.61	7,897.23					
W2 Gross			1,333.20	29,704.31					
Net Pay				796.59					

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

National Account Services

S.LAO-000036

Due to information restrictions, the defendant representation of SERILAO payables was provided from Hennes & Mauritz.
 P: Payroll Workcenter system on 07/20/15

Done

100 Porc Avenue
 North Arlington NJ 07031

09/05/14

ID1784098

ADVICE OF DEPOSIT

\$1,335.09

SERILAO

NON-NEGOTIABLE

Employee	ID	Social Security	Status	Exemptions/Allowances	Number				
SERILAO	06147	XX-XX-46911	US SCA SI	US 2/0 \$25.00 CA 2/0 \$25.00	D1784098				
Code	Pay Group	Division	Department	Hire Date	Period Start	Period End	Pay Date		
HANDV		861	840	03/03/14	08/17/14	08/30/14	09/05/14		
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd	Balance
Regular Hourly Pay	22.2200	73.26	627.98	20,514.71	Off	Balance	Accrued	Taken	Balance
Overtime 1.5x	33.3300	0.29	9.45	587.52	WELL		37.33	16.00	21.33
Wellness Hourly	22.2200	7.00	155.54	353.54	VACATION		60.00		60.00
Holiday Pay Hourly				352.00	BANK				
Travel Pay				539.00					
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00					
Total			792.97	22,610.77	PTO MAY NOT SHOW ACCURATE INFO				
				Direct Deposit Accounts				Amount	
				Checking - XXXXXXXXX1130				1,335.09	
Taxes									
Federal Income Tax			217.94	2,841.27					
Social Security (FICA)			111.17	1,401.87					
Federal Medicare			26.00	327.86					
California Income Tax			84.84	1,030.81					
California State Disability			17.93	226.11					
Total			457.88	5,827.92					
W2 Gross			792.97	22,610.77					
Net Pay			1,335.09						

Direct Deposit Accounts
 Checking - XXXXXXXX1130 Amount 1,335.09

Memo Entries
 Total Hours Worked Current 73.55 Year To Date 985.27

Hennes & Mauritz, L.P. - 100 Porc Avenue North Arlington, NJ 07031 - (201) 428-2133



National Account Services

S.LAO-000037

For more information, the electronic representation of this pay packet was provided from Hennes & Mauritz Payroll WebCenter system on 9/7/2015.

Done



09/19/14

D1797367

100 Porete Avenue
North Arlington NJ 07031

ADVISE OF DEPOSIT

\$1,540.80

SER LAO

NON-NEGOTIABLE

Employee SER LAO	ID 061417	Social Security XXX-XX-6911	Status US-S-OA-S	Exemptions/Allowances US-2/0/\$25.00 CA-2/0/\$25.00				Number D1797367	
Code HANDM	Pay Group 1	Division 8361	Department 840	Hire Date 03/03/14	Period Start 08/31/14	Period End 09/13/14	Pay Date 09/19/14		
Taxable Earnings	Rate	Hrs/Units	Current	Year To Date	Paid Time	Ytd Beg	Ytd	Ytd	Balance
Regular Hourly Pay	22.2200	60.62	344.68	21,859.39	Off	Balance	Accrued	Taken	Balance
Overtime 1.5x	33.3300	0.15	5.00	592.52	WELL		37.33	20.00	17.33
Vacation Pay Hourly	22.2200	16.00	355.52	355.52	VACATION		70.00	16.00	54.00
Wellness Hourly	22.2200	4.00	88.88	442.42	BANK				
Holiday Pay Hourly	22.2200	8.00	177.76	529.76					
Travel Pay				539.00					
Birthday Pay Hourly	22.2200	8.00	177.76	177.76	PTO MAY NOT SHOW ACCURATE INFO				
Adjust Regular Hours				198.00					
Adjust Travel Hourly				66.00	Direct Deposit Accounts				Amount
Total			2,149.60	24,760.37	Checking - XXXXXXXXX1130				1,540.80
Taxes									
Federal Income Tax			305.43	3,146.70	Memo Entries				Year To Date
Social Security (FICA)			133.27	1,535.14	Total Hours Worked				Current
Federal Medicare			31.17	359.03					60.67
California Income Tax			117.44	1,148.25					1,045.94
California State Disability			21.49	247.60					
Total			608.80	6,436.72					
W2 Gross			2,149.60	24,760.37					
Net Pay			1,540.80						

PTO MAY NOT SHOW ACCURATE INFO

Direct Deposit Accounts
Checking - XXXXXXXX1130

Amount
1,540.80

Memo Entries
Total Hours Worked
Current Date
60.67 1,045.94

Hennes & Mauritz, L.P. - 100 Porete Avenue North Arlington, NJ 07031 - (201) 428-2133

National Account Services
Customer Service: 1-800-234-2222

S.LAO-000038

EXHIBIT 7

Cindy Bernabe November 18, 2016

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

----- X

SER LAO, as an Individual
and on behalf of all others
similarly situated,

Plaintiffs,

vs.

No. 5:16-cv-333
EJD

H&M HENNES & MAURITZ, L.P.,
a New York limited
partnership; and DOES 1 through
50, inclusive,

Defendants.

----- X

DEPOSITION OF CINDY BERNABE
New York, New York
Friday, November 18, 2016
10:10 a.m.

Reported by:
THERESA TRAMONDO, AOS, CLR
JOB NO. 47282-A

Cindy Bernabe November 18, 2016

Bernabe

Do you know?

MR. SATENBERG: Vague and
ambiguous.

Q. You can answer unless your
attorney instructs you not to answer.

A. Okay.

I'm not really a hundred
percent sure what they give to the
employees when an employee is hired.

Q. Let me ask you this, again the
same limitations, what method of payment
are available to employees to be paid
their wage from; for example, is it by
cash, by check, direct deposit, pay card?
What are all the available options?

A. Direct deposit and pay cards.

Q. Anything else?

A. No.

Q. I'm sorry?

A. No.

Q. Have those two options always
been the only two options available
between December of 2011 through today?

A. Yes.

Cindy Bernabe November 18, 2016

Bernabe

Q. Does the employee get a choice of which option he or she wants upon hire?

A. Yes.

Q. How is that done, can you tell me?

MR. SATENBERG: Vague and ambiguous.

Q. For example, is there a form? Is there something you fill out online? Could you tell me the process?

A. There is a form.

Q. What is the form?

A. It's called a direct deposit form for H&M or the pay card enrollment form.

Q. Do you know how these forms are presented to the employee upon hire, like is it part of a new hire package, is it an onboarding process?

A. It should be part of the onboarding process.

Q. Is the onboarding process, is that something done online or is that a

Cindy Bernabe November 18, 2016

1 Bernabe
2 to see what the employee really wants to
3 do.

4 Q. Do you know how long H&M has
5 used the pay card option?

6 This is one of those questions
7 where it could go beyond 2011 being that
8 you've been a long time with H&M payroll
9 department.

10 How long has H&M used the pay
11 card option?

12 A. Since 2010.

13 Q. Prior to that, what were the
14 payment options?

15 A. Direct deposit or live
16 paycheck.

17 Q. Once the pay card option was
18 being utilized, did the live check cease?

19 A. Yes.

20 Q. I just want to make sure. I
21 don't know if one of my questions asked
22 this, but besides the enrollment form, is
23 there anything else the employee either
24 fills out or signs to confirm he or she
25 has selected the pay card option?

Cindy Bernabe November 18, 2016

Bernabe

A. Sorry. Can you repeat that?

Q. Sure.

Besides what you just testified using the routing number option, is there some other method or database that you can review to see if the employee is on a pay card or direct deposit?

A. No.

Q. Just off the top of your head, do you know what percentage -- again, this is all California -- what percentage of employees are on direct deposit versus pay card? Do you have any rough estimate?

A. I don't, no.

Q. What about nationwide?

A. I do not know.

Q. Again, nationwide, would you say a majority of employees are on direct deposit?

A. Yes.

Q. And so if the employee chooses the pay card option or they're paid by

Cindy Bernabe November 18, 2016

1 Bernabe
2 the pay card option, they're subject to
3 all the terms and conditions that are
4 stated within the pay card packet,
5 correct?

6 A. Yes.

7 Q. Whether how it's used or the
8 fees in there, correct?

9 A. Yes.

10 Q. When the pay card option is
11 chosen and the pay card -- actually, let
12 me ask you about that. I'm going
13 to strike that.

14 You mentioned earlier that you
15 have to input the information into the
16 pay card system to activate the account;
17 is that right?

18 A. Not necessarily to activate
19 the account.

20 Q. What is the purpose
21 of inputting --

22 A. To link the pay card to the
23 employee.

24 Q. And is that linked to the
25 employee's personal bank account or is

Cindy Bernabe November 18, 2016

Bernabe

A. Yes.

Q. And that will be processed?

A. Yes.

MR. LEE: I'm going to have
this marked as Exhibit Number 123.
This is H&M 146 through H&M 229.

(Exhibit 123, document Bates
labeled H&M 146 through H&M 229,
manager's policy book/policy guide,
marked for identification, as of
this date.)

Q. Do you recognize this entire
exhibit?

A. Yes.

Q. Can you tell me what it is?

A. I believe this is the
manager's policy book, policy guide.

Q. It's only for store managers?

A. Yes.

Q. How can you tell or is that
just from your knowledge?

A. Based on what is actually in
the table of contents.

Q. This would only be information

Cindy Bernabe November 18, 2016

Bernabe

Q. The next sections, there are some bullet points, do you see that there?

A. Yes.

Q. The fourth bullet point starts with "Terminations requiring immediate payout." Do you see that there?

A. Yes.

Q. Can you read that bullet point and let me know when you're done?

A. Sure. I'm done.

Q. Is that the policy since 2011 through today?

A. Yes.

Q. Does that policy apply to California employees?

A. Yes.

Q. And when it says "Terminations requiring immediate payout between payroll processing cycles for employees with direct deposit have to be issued on a pay card," can you tell me what that means?

A. So for the first part where it

Cindy Bernabe November 18, 2016

Bernabe

says "Terminations requiring immediate
payout between payroll processing
cycles," anytime an employee's last day
would fall before the pay cycle ends,
then we would -- which might require an
immediate payout, then we would have to
pay them on a pay card on the final day.

Q. And what do you define as
"immediate payout," can you tell me?

A. Depending on the state.

Q. Let's just focus on
California. Would you agree with me that
for all California terminating pay, it's
all defined as immediate payout?

MR. SATENBERG: Vague and
ambiguous. Calls for a legal
conclusion.

Q. Under your definition of
immediate payout, would all California
terminating pay be processed as an
immediate payout?

A. Yes.

Q. I'm sorry?

A. Yes.

Cindy Bernabe November 18, 2016

Bernabe

Q. So would you agree with me
that for all California employees their
final paycheck are always issued through
a pay card?

MR. SATENBERG: Lacks
foundation. Calls for speculation.

A. Yes.

Q. Whether or not they've agreed
to accept the pay card option previously;
is that correct?

A. Yes.

Q. I've read throughout this
book. There is something called a Star
system or Star user manual. Can you tell
me is there a system called Star?

A. Yes, there is a system called
Star.

Q. Can you tell me --

MR. SATENBERG: If you're
moving on to another topic, is this
a good time for a break? We have
been going for about an hour and I
want to give Cindy a chance to see
if she can get those documents too.

Cindy Bernabe November 18, 2016

1 Bernabe

2 Exhibit 125, turn to the page labeled H&M
3 256. In the middle here there is
4 something in a circle. Do you see that
5 it's shaded?

6 A. Yes.

7 Q. To the right of that, the
8 section that says "All employees must
9 sign up for direct deposit or pay card to
10 be paid - H&M reserves the right to
11 enroll an employee for the pay card
12 program," do you see that?

13 A. Yes.

14 Q. I'm focusing on the last part
15 where it says, "H&M reserves the right to
16 enroll an employee for pay card program."
17 Is that what you said earlier if an
18 employee does not fill out either the pay
19 card or the direct deposit form, H&M will
20 default them to the pay card option?

21 A. Correct.

22 Q. Right below that it talks
23 about clocking in using the time tracking
24 system, which is biometric finger scan
25 called Star, do you see that?

Cindy Bernabe November 18, 2016

Bernabe

A. A Payroll Workcenter is the old website for pay statements.

Q. Has this document been updated since when it was first issued?

A. No.

Q. So, for example, the Payroll Workcenter would not be accurate as of today?

A. Correct.

Q. Is there any intent within the payroll department to update this document?

A. Yes.

Q. Are you working on the revisions right now?

A. I'm going to be working on it after --

Q. After today?

A. After today.

Q. All right.

Let me ask you this, when you first were creating this document, did you or anybody else within the department think about inputting information on here

Cindy Bernabe November 18, 2016

Bernabe

regarding the fees that could be charged
for using the pay card?

A. No.

Q. Why not? Do you know?

A. Because they're in the packet.

Q. You understand there could be
fees associated with use of the pay card,
correct?

A. Yes.

Q. Let me change topics slightly
a little bit and ask you about the
general payroll process.

From what you've discussed so
far is that the employees from the store
clock in and out through the Star system,
correct?

A. Yes.

Q. And they would clock in when
they start their shift and clock out when
they end their shift; that's your general
understanding, right?

A. Yes.

Q. If they go out for a meal
break, they should clock in and out as

Cindy Bernabe November 18, 2016

1 Bernabe

2 before we process a pay card, we would
3 have been given direction from them to
4 actually put it on a pay card for us to
5 process the payroll correction.

6 Q. But there is no other option,
7 right; they have to accept the pay card
8 option under the policy?

9 A. Yes.

10 Q. In those instances, would the
11 employee have to fill out the pay card
12 enrollment form such as Exhibit 122?

13 A. Yes.

14 Q. When they receive their pay,
15 the off-cycle pay is loaded onto the pay
16 card, they're given the pay card and
17 they're told to fill that out?

18 A. Yes.

19 Q. That gets submitted to your
20 department?

21 A. Yes.

22 Q. The next section on Exhibit
23 134, "Terminations requiring final
24 payout," go ahead and read that section,
25 and my first question is, does this apply

Cindy Bernabe November 18, 2016

Bernabe

to California, at least from December of
2011 through today?

A. Yes.

Q. So I think we've established
earlier that in California all
terminating pay, final payout, is paid
through pay card, correct?

A. Correct.

Q. Is there a reason why it's
done through a pay card as opposed to
direct deposit, check, cash?

MR. SATENBERG: Lacks
foundation. Calls for speculation.
Vague and ambiguous.

Go ahead.

A. We don't have the ability to
do off-cycle payments on direct deposit.

Q. Can you just pay by cash? Is
it possible to take money out of the cash
register?

MR. SATENBERG: The IRS
wouldn't like that very much.

Q. That's not possible?

A. I don't think so.

Cindy Bernabe November 18, 2016

Bernabe

Q. Some stores do that by the way.

MR. SATENBERG: They can deal with their own issues.

MR. LEE: Well, I sued them.

MR. SATENBERG: There you go.

MR. LEE: Other issues, but it's related.

Q. So you can't wire the money to their account?

A. We don't have that ability.

Q. What was the process before you used the pay card? What was the process for paying final pay before you used pay card for California employees?

A. Live checks.

Q. Why can't you use live checks after the pay card process was being used?

MR. SATENBERG: Vague and ambiguous. Argumentative. Lacks foundation.

Go ahead.

A. We just don't have the ability

Cindy Bernabe November 18, 2016

1 Bernabe
2 to produce live checks anymore.

3 Q. I see, okay.

4 Before when live checks were
5 used, was the live check created at the
6 store level or was it at the payroll
7 department?

8 A. Payroll department.

9 Q. That would be in New Jersey?

10 A. Correct.

11 Q. And that would be sent out to
12 the store?

13 A. Yes.

14 Q. Was that by FedEx or some
15 method?

16 A. FedEx.

17 Q. Again, if an employee has
18 previously only elected to receive their
19 pay by direct deposit method and has
20 never agreed to receive their pay by the
21 pay card method, if that employee is
22 receiving a final payout on a termination
23 pay, that employee will still have to
24 receive their pay through a pay card?

25 A. Yes.

Cindy Bernabe November 18, 2016

Bernabe

Q. And in that instance, would the employee sign some sort of authorization agreeing to receive the final pay through a pay card?

A. On the enrollment form.

Q. You would consider the enrollment form?

A. Their authorization.

Q. If the employee is being terminated, is the employee told that he or she has to fill out the enrollment form before the final pay is given to them?

MR. SATENBERG: Vague and ambiguous. Lacks foundation. Calls for speculation.

A. I'm not a hundred percent sure what the stores do.

Q. Let me give you a scenario. If an employee is receiving a final payout, whether it's a voluntary resignation or being fired, the final pay is going to be loaded onto the pay card, correct?

Cindy Bernabe November 18, 2016

Bernabe

A. Yes.

Q. And that pay card is then handed to the employee on their last day of work?

A. Yes.

Q. And that is in a packet, the same pay card packet?

A. Yes.

Q. And in that instance, the money is already loaded on there, correct, before the employee even fills out the form or has each received the pay card packet, correct?

A. Correct.

Q. The employee can open it up and fill this out, obviously, and turn it back in, correct?

A. Not if they've already received the pay card.

Q. What do you mean by that?

A. Because we would have received an enrollment form with the paperwork before we actually loaded the pay card.

Q. Say that again.

Cindy Bernabe November 18, 2016

1 Bernabe

2 A. We would have received the
3 enrollment form with the termination
4 paperwork. So those are given to us
5 first, everything.

6 Q. In those instances, it could
7 be the manager filling out the enrollment
8 form, correct?

9 MR. SATENBERG: Calls for
10 speculation. Lacks foundation.

11 A. It's possible.

12 Q. You wouldn't know who is
13 filling out the paperwork -- I'm sorry.

14 You wouldn't know who is
15 filling out the pay card enrollment form
16 in that instance, correct?

17 A. Correct.

18 Q. Looking at this "Terminations
19 requiring final payout" section, it says,
20 "Submit pages 1 and 2 of the termination
21 paperwork signed, dated and completed
22 properly by manager, payroll correction,
23 time sheet showing in and out punches to
24 be paid, including breaks, and a total
25 pay card enrollment form."



H&M000146

CONTENTS

This guide is a collaboration of all H&M policies. Please note that where state or local law applies, H&M will comply. If a Collective Bargaining Agreement (CBA) is in place then the CBA may supersede the information in this Policy Book. All Policies are effective as of 1/1/2011.

1

RECRUITMENT POLICIES

- Guidelines
- Applicant Process
- Business Recruitment Process
- Legal Aspects of Hiring
- Background Check Process
- Categories of Employment

2

ONBOARDING POLICIES

- New Hire Paperwork
- I9 Form Policy
- Schedule for New Hires

3

COMPENSATION PROGRAM AND POLICIES

- Base Salary
- Salary Adjustments
- Processing Salary Changes
- In Training Salary Classification
- Annual Salary Review and Bonus Programs
- Internal Job Posting Process/IPP

4

PAYROLL AND TIMEKEEPING POLICIES

- Paycards and Direct Deposit Policy
- Deduction and Overpayment Policy
- Fair Labor Standards Act Overtime Policy
- Rehire Policy
- Travel Time Policy
- Employee Transfer Policy
- Change of Personal Information
- Scheduling Policy
- Timekeeping Policy
- Wellness Policy
- Leave of Absence Policy
- Employee Files and Access Policy
- Document Retention and Destruction Policy
- Employment Verification Policy
- Unemployment Procedure Policy
- Workers Compensation Insurance Policy

CONTENTS

HEALTH, SAFETY AND SECURITY POLICIES

5

- Breastfeeding Policy
- Drug and Alcohol Policy
- Internal Theft Policy
- External Theft Policy
- Shoplifting Policy
- Robbery Policy
- Safety Policy

CODE OF CONDUCT POLICIES

6

- Global H&M Code of Ethics Policy
- ADA/ADAAA Requirement Policy
- Discrimination Harassment Policy
- Workplace Bullying Policy
- Fraternalization Policy
- EEOC Guideline Policy
- Complaint Procedures
- Open Door Policy
- Computer, Internet and Email Use Policy
- Misconduct Policy
- Peer Witness Program Policy
- Progressive Discipline Policy
- Sunset Provision Policy
- Suspension Policy
- Termination Policy

RECRUITMENT POLICIES

GUIDELINES

Hiring a new employee is an important decision – it affects the individual, the team and the H&M business. Hiring an employee is a decision with legal implications and so it is imperative that each person involved in making the hiring decision adhere to certain procedures. It is for this reason that specific recruiting guidelines and working routines have been established. This section outlines the basics of recruiting at H&M and is not intended to cover all the information you will need to properly fill an open position. For further details please refer to the Recruitment and Development Guide located on SIP.

Managers will rotate the responsibility of supporting the stores with their applicant tracking needs. This will be a temporary assignment and the responsibility will be rotated amongst qualified managers, as determined by the District team. During the period of time that a manager is supporting this role, their title will not change however they will be referred to as an Applicant Tracking Administrator (ATA). This is a non-exempt assignment; therefore in the event that an exempt manager takes on this responsibility their District Manager must contact Payroll to temporarily change their status.

When recruiting, managers must follow H&M recruitment guidelines, applicant processes, and legal hiring guidelines and ensure only those qualified for the position are hired. It is crucial to provide all candidates with a consistent hiring process in order to ensure that each individual is given an equal, fair, and unbiased opportunity to be considered for employment. If a manager is unable to complete any step of the defined process, it is his/her responsibility to contact their ATA or HR Representative for clarity of the process and guidance on how to proceed.

All applicants should be encouraged to apply online at www.hm.com. However, blank application forms should be available; if for some reason an application form is not available it should be printed from SIP and provided to the applicant.

It is a service standard at H&M that an applicant should receive a response from H&M as soon as reasonably possible. Our applicants are also our customers and must be treated with the highest customer service standards.

Job Offer letters presented to a candidate should be signed by the manager of the location where the new staff member will work (i.e. Store Managers would sign an offer for the Department Manager or Sales Advisor they hire for their store, a District Manager would sign an offer for a new Store Manager, etc.). In the event a Store Manager is not available please partner with your District Manager. When a manager is planning to make a management position offer (either internal or external), the manager must first partner with their supervisor. The primary reason for this is to ensure that all qualified internal candidates from other locations have been properly considered.

H&M believes that the opportunity to promote or transfer from within is an integral element in an effective staffing program. So, internal candidates should be considered as part of the applicant pool; however, H&M always reserves the right to consider external candidates for certain positions particularly when it seeks a specific set of skills, experience or knowledge or

when it is clear that internal selection would not meet the hiring need. H&M reserves the right to fill open positions as it deems fit for the business. (See the *Internal Promotion Process* chapter under Compensation Program and Policy for more information on the internal promotion process).

APPLICANT PROCESS

All candidates should be encouraged to use the online application process when applying for jobs at H&M. In order to ensure each store knows how to best accommodate a paperless process, a few steps have been outlined below. Following these steps will help to better service each applicant by ensuring they will be contacted in a timely manner and are given an equal opportunity to be considered for the jobs which match their background and interest. It will also lessen the workload in the store.

Candidate Applies: Stores should refer all candidates to apply to our online system located at www.hm.com. This will allow applicant information to be reviewed immediately by the ATA and be matched to any open positions. Instead of handing candidates a paper application when they inquire about jobs, the staff member should suggest they apply online. There are many benefits to applying online for a job at H&M: a quick response; full access to create and update their online profile 24 hours a day; complete and up-to-date lists of open positions at H&M and hiring events; and viewable updates on the status of the application. Please note that if a position is not available in a certain location, the candidate will not be able to apply for it online. We no longer allow candidates to create a profile without attaching it to an open requisition. In this case, the candidate can either apply to a nearby location with an opening, keep checking to see if one opens up in the location they desire, or fill out a paper application.

On the following page you will find a dialogue example sheet that will be helpful for how you should refer candidates to the online system. Store Managers should go over the application process, including the dialogue example sheet, with their staff during morning meetings/store meetings/intro training.

Tips: Keep this dialogue example sheet at the register for staff to refer to when approached by an applicant. Place in the back area of the store (in the lunch room, at the time clock, etc...) to ensure they have full knowledge of the application process and how to respond to a candidate. Use this tool for role play during training sessions.

In the event that a store does receive a paper application, the manager first needs to assess whether or not they would like to move forward with the candidate. If yes, then they would follow the standard recruitment process of the phone screen, 1st interview, background check, and 2nd Interview/Job Offer. At any point in that process, if the candidate is disqualified the store needs to send the application (with a clear reason for disqualification) to their Regional Data Entry person. If they hire the candidate, then the store must send a copy of the application to the Regional Data Entry person noting that that candidate was hired. If the store doesn't have a hiring need when they receive the applications then all should be sent directly to the Regional Data Entry person with a note stating they do not have a need. Every paper application we receive must be entered into our applicant database.

Store Has a Staffing Need: Stores that have a need to hire will call their ATA to inform them of the open position(s). The ATA will, in turn, post this position on www.hm.com.

Screening the Applications: The ATA will match candidates in the database to existing needs. They will reach out to applicants to see if they are interested in the position available and, if so, conduct a phone interview to assess fit. The ATA will send the candidate profiles to the stores for only those candidates who match the current need(s). The candidates will be sent an email from the ATA alerting them that their application has been sent to the store and they should expect to hear from a manager soon.

Interviewing the Applicant and Making a Decision: After the phone screen qualified candidates may have an opportunity to meet face-to-face with managers from the store for which they applied. This sit-down interview allows both the candidate and managers to assess position and company compatibility. If the candidate is disqualified, the store should inform the ATA with the defined reason for disqualification. The ATA will inform the candidate of the decision to disqualify, either by phone, e-mail, or letter. The store should then send the complete candidate file to the ATA through interoffice mail for archiving.

EXAMPLE: Dialogue for encouraging applicants to apply online.

Basic information to share with every applicant:

"We have an online application process available at www.hm.com. Online you can create your own profile and search and apply for open jobs. You can also keep your profile up to date at any time by logging in with your own username and password. If you apply today, you could be matched to a job as soon as tomorrow."

How to help applicants find online access:

Inform them of the closest location to the store with public internet access. Each store should know possible locations near their store (ex. Public library, internet café, etc...).

"There is actually a coffee shop on Level 1 of the mall next to the CVS. They have public Internet access. There is also internet access at our local town library. They are open 9-5 daily and it's free."

Encourage them to apply:

"Great, we have a lot of opportunities."

"Let me know if you liked the website."

"Let me know if you have problems applying online."

"Remember, it's faster than applying by paper."

What to say when a candidate needs a paper application:

Note: Applicants may come to the store to ask for a paper application if they cannot apply online themselves due to a disability. This request is protected by the American with Disabilities Act. As such, all staff should know how to obtain a paper application for this applicant and how to appropriately deal with this request.

"Let me get you a paper version of the application. It will take a few days to enter your information into our central database. If the information you provide on the application matches an open job, we will be in touch. You may receive information by phone, e-mail, or letter to inform you if there is a matching job. In the event that you would like to access our system in the future, we will provide you with your own username and password to our online profiles."

BUSINESS RECRUITMENT PROCESS

Listed below are some steps of the H&M defined Recruitment Process. It is important that all applicants undergo the same process for the job available and be given an equal opportunity for employment. Therefore, we have briefly described in more detail the steps of our process.

1. Determine your business needs

Managers are responsible to have an overview of their ideal staff situation and plan to hire in order to maintain the ideal staff level for their store/department. Tools such as the STAR Staff Level report and STAR Availability report can provide an overview of your store's hiring needs. If managers determine that they need to hire above or below the stores set ideal situation to meet business needs, they must contact their District Managers or District Controller to determine an appropriate deviation level.

Tips: In determining individual store/department needs, here are a few important things to consider before assessing applicants:

- 1) In addition to the job descriptions, review your schedule and function plans to determine exactly which functions/job duties the person will need to perform now and in the future.
- 2) Determine specifically when and where the person hired will need to perform these functions (FT hours, PT hours, Seasonal months, start date, location(s), department, etc.)
- 3) Reference the COL matrix for the position and location(s).
- 4) Ensure you have a training plan accounted for and identify where they will be trained for their new role.

2. Determine who to hire

H&M has defined a job profile for hiring all H&M staff. Any position other than Sales Advisor must also meet additional defined competencies. H&M has also written a **job description** for each position to define an individual's role and responsibilities. Job descriptions for store level employees can be found in the Growth Guide or on SIP. An interviewer will need to identify which of the interested applicants has the knowledge, skill, ability and behavioral characteristics to best fit the position available. Therefore, all interviewers must know the defined profile for the position they interview for and be familiar with the job requirements outlined in the job description prior to searching for and screening applicants.

Aside from individual characteristics, managers should also be aware of what attributes are needed within a store or department in order to build a high performing *team*. We refer to this as ADIZES and the four categories are: Producer, Entrepreneur, Integrator, and Administrator. The ADIZES tool can be used in identifying these missing or needed attributes.

3. Attracting applicants and matching them to your open job

Once you have determined your exact needs and have exhausted all internal possibilities (transfers, IPP candidates) the ATA will create a job requisition and search for candidates which match your specific criteria. They will also post the position online at www.hm.com and this same ad will be picked up by other online vendors that we have established contracts with. Your ATA will inform you within 24 hours of any matching candidates and keep you informed of daily incoming hits until the job is filled. There are times however

that the results come back with fewer applicants than you would like. This is when you may need to take additional steps to attract more applicants into the pipeline. Managers are expected to keep an overview of the most effective ways on how they've attracted quality candidates in the past, so they can react quickly to a similar open position. It may be necessary in tough hiring markets to run internal and external media simultaneously to obtain the best pool of candidates in a short amount of time.

Internal - Managers have company created materials available to advertise directly in the H&M stores. For example, you can place hiring posters in windows and above registers, lay flyers/postcards at the cash points and other service points or print a message on your register tape. Stores should always have adequate marketing material on hand for these times. All material and copy text should always remain within the Recruitment Campaign Guidelines. For more information on the Recruitment Campaign Guidelines or to obtain additional materials to have available, contact your Regional HR Generalist.

External -When internal media does not provide effective results, you may choose to go use some external options. Although not all external media comes with a cost, it does usually result in putting out additional costs on the store. This varies by location. Use of external media options must be discussed with your Regional Manager in order to arrange for placement of this media. Some examples would be arranging placement of posters in the malls, utilizing local university job centers, e-mail blasts and posting jobs online at various sites other than www.hm.com.

Another method of identifying and attracting quality applicants is by networking and active recruiting in your local mall, business area, or neighborhood. Please partner with your local recruitment/HR resource for more information on this topic.

Managers of mall locations are encouraged to form a relationship with mall management in order to post open positions on mall websites and place media or simply inform the mall's customer service centers of open positions.

4. Application/Resume screening

All interested applicants must submit a completed application or online candidate profile, which will be processed into our company's applicant database, in order to be considered for employment. Applicants submitting paper applications should also be asked to submit a resume. A resume is not a requirement for entry level positions, but is preferred. The more information we have on a candidate the easier it is to search and match candidates in our database to the open position that the ATA created for you, based on your determined criteria (needs and who).

It's important that we process all applicants through our database, even those submitted by paper (see the *Applicant Process* chapter for more information on this). The system allows us to do a search based on your individual job criteria and match candidates who have this criteria listed on their candidate profile.

5. Interviews

The purpose of an interview is to determine the fit of a candidate to a job and for the interviewer to predict as adequately as possible the person's job performance in the position. It is important that for each job the selection process is the same for each candidate. This is to ensure a candidate cannot claim they were subjected to an unfair process or not given an advantage, even when the end result is to hire them. For this

reason, we have several interviews that each candidate will undergo before meeting them to offer them a job.

Phone Screen: A phone screen can help clarify critical information regarding the candidate's ability to fill the business needs required for the job and help to filter in/out candidates from your applicant pool. The phone screen also saves both the candidate and you time.

Example: If you need someone on Tuesday 10-2 and the candidate's original application stated that he/she can work Tuesday, but circumstances have changed, you will be able to filter this in a phone screen rather than preparing for a sit down interview with an unqualified candidate.

In short, this stage will tell you and the candidate if it is worth coming in to meet someone to discuss further their potential fit to the job. The ATA may conduct phone screens for the open positions as a first stage, before sending a candidate to meet a manager for an interview (see Applicant Process or contact your ATA for details).

1st & 2nd Interview: It is required that two H&M managers (or one manager and one Department Supervisor) interview one candidate at a time. This is for several reasons, but primarily for quality assurance. It is also highly suggested and preferred that at least one of the persons conducting the 2nd sit down interview *not* be the same as those who conducted the 1st. This is to maintain objectivity as well as for quality assurance.

Remember: During the interview stages, explain the job position and its responsibilities. Show the applicant the job description for the position to which they applied. Receive confirmation from the applicant that they can perform all necessary job duties listed in the job description. Do not give a copy to the applicant, but have it on hand to read or show.

Whenever possible, the sit down interviews should take place at the job location. This provides the candidate an opportunity to see the environment they will be expected to work in. If this is not possible, but there is an H&M store location nearby, ask the candidate to take time to visit the store prior to the sit down interview. This not only shows them the company environment, but also offers another experience you can discuss with the candidate during the interview.

6. Paperwork

Interviewers should fill out the H&M Interview Sheet (position specific, found on SIP) during the sit down interview. If for some reason you are unable to obtain an H&M Interview Sheet, you should take clear notes and transfer the information to an official Interview sheet afterwards. The following things need to be considered:

- Clear details on what you have learned about the applicant up to this point should be included.
- A concluding decision listed about the applicant must be documented. The decision must be unbiased, job-related and not personal.
- It should be clear to the average person looking at the Interview Sheet why we are saying no or why we are recommending the person to move on the next step.
- If moving on to the next step, notes should also give the next interviewer a recommendation for what specifically should be looked for in the next part of the process to ensure a fit.

- Notes should then be kept with the candidate file. They will be entered or scanned by an ATA Representative into our company database after the interview stages for the candidate are complete.

7. **Decision making, disqualification, and correspondence methods**

During the different interview stages you will make decisions to either disqualify a candidate from the process or continue them onto the next stage for your open position(s).

Once you have made a decision that the **candidate is disqualified** and is no longer being considered for the job, you will need to inform them at your earliest availability. There are several options for how you can inform the candidate of their disqualification; in person, by phone, through e-mail or through postal mail. Whenever possible, it is best to tell the candidate in person or by phone. Candidates can keep their information up to date in our online system and be matched to other jobs better suited to them.

In person: If you have disqualified them during the interview because they clearly do not match the business needs of the job, you can tell them this. You should only be clear on the reasons for the disqualification if it is clearly for a business reason that bars them from being considered for the job (i.e. the job needs them on Tuesday 10-2 and they can only work after 12 on Tuesday). Do not give them details about the reasons you will not consider them for this job unless it is this clear. If you are not sure and need help to determine what to say, contact your ATA or Regional HR Generalist for guidance.

Over the phone: Ensure if you choose to call them, that you are certain it is them on the other end. ***Do not leave tell them on a message or voicemail that they have been disqualified.*** Ask them to return your call and tell them at that time.

By e-mail: If the candidate has an active e-mail address on file with us, an ATA can send them a response by e-mail for you when you inform them of the disqualified status. If you do not want an e-mail to be generated, because you have already responded to the candidate verbally, please clarify this to the ATA and on the candidate interview notes. Note: You should confirm with your candidate during the interview process that they can be reached by e-mail. If you know you will plan to correspond by e-mail with them, it is also good to let them know this, so they can expect to hear from you in this way.

By postal mail: Candidates who have applied, but have not given a valid e-mail or phone number, will receive correspondence by postal mail from us. They should be encouraged, if reached, to update us with their other contact information, if available. Remember, candidates disqualified for not passing the criminal background check will be sent a letter by the company who processed the background check.

For those candidates that you would like to **invite to another stage** of the process, you will want to reach out to them right away. You should be able to also reach them by all the methods listed above, but the phone usually works best. Tip: When you first speak to the candidate, ask them which contact method is the best for them to be reached. This will help you find them quickly, when you are anxious to set up the next step.

8. Job offer (JO)

Once the qualified candidate has passed all steps of the recruitment process and approval of their background check has been received, an official Job Offer should take place (see 'Background Check' section for additional details).

All new hires should receive a **Job Offer Letter & Growth Guide** at the job offer. They also need to complete all Work Opportunity Tax Credit (WOTC). Seasonal hires should also receive a Growth Guide that should be returned after their seasonal period unless they continue regular employment with H&M. This guide provides all the necessary paperwork and instructions needed for the hiring manager and all information to get the new hire started with their H&M career. This guide is considered H&M property, therefore it should only be provided to the new hire if they accept the position.

LEGAL ASPECTS OF HIRING

The following 4 steps are offered to help managers avoid potential liability and discrimination in hiring decisions and/or claims of defamation, invasion of privacy and negligent hiring:

1. Use employment applications with every candidate (either on-line or paper). An application is a legal document. Therefore, absolutely no markings, attachments, or staples should be made to it by anyone other than the applicant. All original copies of applications received from applicants who were **not hired** should be archived as per Company standards. Please partner with your local ATA for further details. The information will be entered into the applicant database and the paper application for all candidates, those that have been interviewed as well as those who have not been interviewed, must be **archived for 1 year**. They should be kept archived in an organized way, so that a manager can find the application if necessary. (To understand the difference between a legal application and an incomplete application, see additional information at the end of the chapter on *Legal Applications and Candidate Profiles*.)

Original applications from applicants who were **hired** as employees with H&M should be archived within the employee's file. It should be filed so that it could be retrieved easily, when necessary.
2. **Make no promises** of continued employment in the interview process. Remember, the person doing the interviewing is considered a representative of H&M and as such, speaks for H&M. Do not say anything to the applicant that may make them feel like they have the job, even if you plan to send them to the next part of the process.
3. **Provide a written job description** to the person being interviewed. It is important to allow a candidate enough time to read through the job description for the job(s) they are interviewing for. You will need to **ask all candidates** if they understand the requirements of the job and are able to perform these tasks. If the job is currently posted online and they have computer access, you can suggest they read the job description online prior to coming in for an interview. If this is not possible for them, you can suggest they come in 5-10 minutes before you plan to sit down for the interview discussion. You should always have a printed version of the job description available for them to read or refer to during the interview, even if they read it prior. Please do not give them a copy of the job description, rather keep a master copy available. This document is considered confidential company material. Job descriptions for store level positions can be found on SIP. For other positions, contact your Regional HR Generalist or supervisor.
4. Base every hiring decision on **job-related** factors. Focus on the job responsibilities and company expectations with every applicant. It is absolutely necessary to only discuss skills and abilities needed to perform the duties of the position the candidate is applying for. It is illegal to inquire about or ask questions, either directly or indirectly, on an employment application or in the job interview process that relate to any of the following **protected/non-job-related factors** (see additional information below).

"Protected" and Non-Job Related Factors

1. **Age-** Anyone forty years of age and older has extra legal protection.
 - a. You may not ask an applicant "how old are you?" or "what year were you born?" You can ask if the applicant is over 18 years old, as it is our company policy to not hire anyone under the age of 18.

- b. You may not ask dates of graduation, but you may ask if the applicant graduated from high school or college if it applies to the job-related skills.
 - c. You cannot ask for proof of age (i.e., don't ask to see an ID) until an offer of employment has been made and the candidate has accepted the offer. At that time, we will require proof of age in order to process their new hire paperwork.
- 2. **Arrest and Conviction Records**- Do not ask about arrest records or convictions. Due to recent state legislations the conviction question has been removed from the application and should not be discussed during the interview.
 - a. If a candidate brings up a previous conviction they should be told that a conviction will not automatically eliminate them from consideration. It is okay to let the candidate know that you are not sure if their conviction would automatically eliminate them, but will review the information with your Loss Prevention (LP) department who would be able to make that decision. You should continue with any other questions you have in order to determine the candidate's fit to the job and not just stop the interview prematurely.
 - b. If a candidate is denied employment, specifically due to their criminal conviction, we are obligated to send them a letter informing the candidate of the reason they were denied. This will be managed by our background check vendor.
 - c. Remember to inform all applicants in the first interview that no formal job offer can be made until successful completion of a background check occurs, which will include a criminal background.
- 3. **Bankruptcy and Credit Affairs** - Never ask about bankruptcy since it is illegal to discriminate on this basis - all credit inquiries must comply with the Fair Credit Reporting Act.
- 4. **Disabilities** - The Americans with Disabilities Act (ADA) and, more recently, the ADA Amendments Act (ADAAA), generally prohibits any inquiry about a disability.
 - a. Every applicant has the right to ask for and receive an accommodation in order to complete the interview process, even if the interviewer thinks that the applicant will not be able to perform the essential functions of the job. Please contact the Support Office HR Department in this case.
 - b. You should ask every applicant that you interview if they are able to do the job after showing them the job responsibilities on the job description, not just those you know or assume to be disabled. Despite the increased restrictions the ADA/ADAAA imposes, employers must be able to find out whether or not an individual is qualified for a position. The important thing to remember during the recruitment process is to focus on the applicant's ability to perform the job, not on a disability. Employers should ask about an applicant's ability to perform specific job functions.
 - c. **You may not ask questions about an applicant's disability** (such as "How did it happen?" or "Will it get worse?"). However, if an applicant informs you that he or she cannot perform any of the job responsibilities, *it is lawful for you to ask what accommodation, if any, would be needed to perform the job.*
 - ❖ Example: Appropriate question for someone who has revealed a disability: "Are you able to perform these tasks with or without an accommodation?" The employer should provide the applicant a copy of the job description or describe the job functions to the individual, and indicate which job functions are essential to the position.
 - d. It is lawful for the applicant to request a "reasonable accommodation" for a disability in order to be able to do the job. You may discuss the accommodation, but again you may not ask additional questions about the disability. Before making

a decision you must contact Human Resources in the Support Office. Please let the applicant know that they will hear back, one way or the other. Make sure to take detailed notes. An employer is required to provide an accessible interview-site to those with disabilities who may need the accessibility.

- e. Note: For further information on candidates with hearing impairments, see chapter on *Hearing Impaired Accommodations*.

Some suggested Do's and Don'ts to remember, when interviewing someone who is disabled.

- Do**
- Do ensure that the interview facility is accessible to people with disabilities.
 - Do inform the applicant of any special parking available.
 - Do allow the applicant at least a full day to prepare for your interview.
 - Do identify the essential functions of the job.
 - Do make eye contact with the person.
 - Do, after the initial greeting of someone who uses a wheelchair or has a height restriction, sit down so that a person can easily make eye contact.
 - Do ask about the person's ability to perform the job.
- Don't**
- Don't assume the person is able to shake your hand in greeting.
 - Don't lean on an applicant's wheelchair.
 - Don't shout or raise your voice to a person who is hearing impaired.
 - Don't touch a seeing-eyed dog.
 - Don't ask about a person's disability history.
 - Don't ask about prior workers' compensation claims.
 - Don't ask how the person became disabled.
 - Don't ask how a person is going to get to work.

5. **Religion-** Avoid questions about religious preference.
 - a. It is important for you to clearly define for the candidate the job requirements regarding the working hours for any of the job(s) which they are applying for and determine if they will be able and willing to work the hours required. Full-time store positions are required to be available for weekend work in most of the H&M positions and locations. However, part-time staff and other Support/District/Region positions may be able to work other hours based on the business need and the function plan of the location hiring. **Note:** Depending on federal or state law, we may need to be more lenient (Be prepared - obtain state specific details from your Regional or Support Office HR Representative if there are any questions).
6. **Reliable Transportation-** It is only relevant that an employee can get to work on time and work the full shift. Do not ask if they have a car or how they will get to work.
 - a. Only ask if the employee is able to get to and from work everyday for scheduled shifts.
 - b. Do not ask about a having driver's license unless the job requires one.
7. **Military Service/Records/Veteran Status-** General questions about a person's background in the military should only be asked if based on business necessity or job-related reasons. If requested, you should make a statement to the applicant that general or dishonorable discharge will not be an absolute bar to employment. Do not ask if the applicant was discharged for other than honorable circumstances.

- a. If the applicant has alternate job-related experiences that would allow you to sufficiently assess their ability to perform the job, it is suggested that you focus your discussion on these experiences. This would allow you to avoid having to discuss the reasons for the applicant's discharge.
 - b. You may interview someone who is an active member of the United States Armed Forces. This should never affect your ability to assess their fit to the job if you remember to focus on job-related factors. H&M complies with all relevant federal and state laws regarding service in the United States Armed Services and reemployment upon return from active duty. For additional information on this topic, contact your Regional HR Generalist.
- 8. **Marital Status/Name Changes/Spouse/Children-** Avoid all questions about spouses, number of children, childcare arrangements, family plans, etc. Any questions relating to these issues may be construed as discriminatory, especially against women - none are job-related.
- 9. **Citizenship-** You should not ask applicants if they are U.S. citizens, since it is considered discriminatory under the Immigration Reform and Control Act. You may ask an applicant if they are authorized to work in the United States and if they will be able to provide proof of authorization to work in the United States.
 - a. You may not ask to see the documentation of authorization during the interview process. It can be viewed only after an offer has been extended and accepted by the candidate. The documentation will be required in order to become an employee with H&M (see I-9 section for further details).
- 10. **Educational Attainment-** It is only relevant to discuss educational attainment if it is directly related to successful job performance and the candidate's availability.
 - a. It is legal to inquire into an applicant's academic, vocational or professional education and the public and private school attendance. If an applicant does not have sufficient work related experiences to discuss in the interview in order to sufficiently assess their ability to perform the job, then you may want to discuss educational related experiences, which will help you determine their knowledge, skill or ability to do a job. (i.e., knowledge gained in a course on business or retail, class projects which put them in a team work group). Focus your discussion on the job/work related factors.
- 11. **Organizations and Clubs-** Avoid questions about memberships in clubs and lodges, as they may reveal protected class information. (i.e. Knights of Columbus, NAACP or Diabetes Association)
 - a. For some positions, past job experience is not required. Therefore, it is sometimes difficult to assess a person's knowledge, skill or ability to do a job. In this case, if the applicant belongs to an organization or club, you may have a difficult time interviewing them without discussing their role in the organization or club, since their role could give you facts regarding their knowledge, skills and abilities. If you do need to discuss their role, it is suggested that you explain that you do not want to go into detail about the organization/club's affiliation; however, you would like them to share with you anything that they do in the specific role with the organization, which they believe is parallel to the job requirements that they would be required to perform. (i.e., If the job requires them to service customers, have they been involved in any activities where they had to service others? – a fund raiser, a group activity)

12. **Race, Color, Sex, or National Origin**- Do not ask any questions involving an applicant's race, color, sex, or national origin.
- a. EEOC guidelines prohibit asking questions that may reveal this information; rejected applicants could have grounds for a discrimination suit if any of these questions were part of the application process.
 - b. Avoid questions about language skills (i.e. Do you speak English fluently? What is your native language?), unless it is defined as a specific requirement on the job description. However, if the position the applicant is applying for has customer contact, the applicant must be able to communicate with the customer(s). During the interview discussion, you should be able to assess if the prospective employee can communicate effectively for the position. If the job does require a specific language skill, it is beneficial to have an interviewer who is able to speak the required language conduct the interview.
 - c. Sex should not be a factor in a hiring decision. It is important to know though that pregnant women have additional legal protection. Do not inquire into pregnancy or plans to have a family or size of a family. Even if the applicant appears noticeably pregnant, the interviewer should still not ask. Focus on the same questions you would ask everyone else to determine if the candidate is a fit to the position. (i.e., When the job will start/end and if that timing works for them. What the physical requirements of the job are and to determine if they have now or expect to have any limitations)
13. **Sexual Orientation/Affectation/Identification**-Do not ask questions regarding an applicant's sexual orientation. Nor should you make assumptions about a candidate's sexual orientation based on their body language, manner of speaking, posture, etc.

Disability: Hearing Impaired Accommodations

An employer **is** obligated to provide hearing impaired candidates with a reasonable accommodation during the interview process. Be cautious not to assume that if an individual is hearing impaired that he or she will only communicate through sign language and thus assume that you must provide an interpreter. It is important to ask the candidate which, if any, accommodation they would require in order to have an effective interview.

There are many accommodation options. The information provided here can be used as a guide but is by no means comprehensive with regard to the considerations that might be made in working through the accommodation process. For additional support, please contact your Regional HR Generalist.

Interpreter: Providing a qualified interpreter is a reasonable accommodation that should be offered to those candidates with a hearing impairment. H&M will be responsible for the cost of providing accommodations. If you need to arrange for an interpreter and do not already have access to a local resource, contact your Regional HR Generalist for assistance. You can also ask the candidate if they have an interpreter that they usually work with.

Computer Technology for One on One Communication: Computers can be used in a number of ways to communicate one on one. Communication might involve individuals sitting side by side taking turns typing on the keyboard, use of email, instant messaging, chat or voice recognition software. Communication through a computer may be more convenient than writing notes back forth and should be easier to read than handwriting.

During the interview process it will be necessary to determine **which accommodation the individual would require** in order to perform the essential job functions. Employers often

have concerns that if they hire an employee who is deaf to work with customers or clients that he or she may not be able to communicate with customers or may seem rude if the employee does not respond to sales questions. An individual who is deaf may be willing (must be voluntary) to wear a button or have a small sign in their workspace that indicates he or she has a hearing loss and to ask that the customer look directly at them when speaking. The customer may also be able to write a question on a notepad or a portable dry-erase board the employee may keep with them at all times.

Legal Applications and Candidate Profiles

You should never interview a candidate without them first completely filling out a legal application. All candidates should have filled out their legal application online when they apply. In some cases (depending on when they applied, prior to the database launch in 2006 or after), the information is not complete and you would then need to ask them to either complete their online profile questions or fill out a paper version of the application prior to your interview.

Here is how you can check to ensure you have the information you need:

There are 2 main sections of the online application profile which you need to ensure are properly filled out: The *Additional Information* section and the *Disclaimer* section. If any of the information is not complete in either of these sections, you will need to ask the applicant to complete a paper application prior to an interview.

Below is an example of what you should look for:

Additional Information	
Are you at least 18 years old?	Yes
If hired can you furnish proof you are eligible to work in the United States?	Yes
Have you ever been convicted of a criminal offense (felony or serious misdemeanor)?	No
If yes, state the nature of the crime(s), when and where convicted, and disposition of the case.	
Have you worked or attended school under any other name?	No
If yes provide other names.	
Are you able to perform the essential functions of the job for which you are applying, either with or without reasonable accommodations?	Yes
If no, describe the functions that can not be performed.	

You will need to ensure that there is a Yes or No listed next to each of the questions in both of these sections.

If there is no answer, your applicant will either need to log into the system with their user name and password and update their profile or you will need to ask them to completely fill out a paper application.

Disclaimer	
I certify that all information provided in this employment application is true and complete. I understand any false information or omission may disqualify me from further consideration for employment and may result in my dismissal if discovered at a later date.	I agree Yes
I authorize the investigation of any or all statements contained in this application and also authorize any person, school, current employer (except as previously noted), past employers and organizations names in this application to provide relevant information and opinions that may be useful in making a hiring decision. I release such persons and organizations from any legal liability in making such statements.	I agree Yes
I understand this application or subsequent employment does not create a contract of employment nor guarantee employment for any definite period of time. If employed, I understand that I have been hired at the will of the employer and my employment may be terminated at any time with or without cause and with or without notice.	I agree Yes

BACKGROUND CHECK PROCESS

All candidates must pass a background check prior to being offered a job with H&M. Social Security number and criminal background checks are required for all candidates. DMV checks are done only for any jobs involving vehicle operation (such as District or Regional positions and some support functions). There is a cost involved to the store for each candidate background check, which varies by state. For that reason, please only submit them for those candidates you expect to offer a position to, provided they pass the background check.

H&M reserves the right to alter or modify this process, in accordance with state or federal law, at its discretion and with or without prior notice.

To submit a candidate's background check:

Ask the candidate to fill out and sign the authorization form appropriate for their job location (forms vary by state and can be found on SIP). You will need to fax the form over to Sterling and then call them to confirm that they have received it. A fax confirmation on your end does not replace the phone call to Sterling. All forms faxed to Sterling must be logged in the *Sterling Log*.

It's very important that the background check form (or any form containing confidential information) be treated securely. It should never be handled in public areas (i.e., the break room) or left unattended. It should only be viewed or handled by those who have a legitimate business reason to do so. This means that only a manager and the candidate completing the background check form should be handling it. **Once it has been completed it should immediately be organized, stored and locked away in a secure location.**

Stores and recruitment locations are required to keep a Sterling Log to track their pending and processed background checks. The job offer must be scheduled ONLY after an approval on the background check has been given to you. Background checks take approximately 48 business hours. It is the store and/or recruitment location's responsibility to call for results.

To obtain background results:

Background check results are uploaded to the Admin PC.

Note: If an employee does not pass the criminal background check, a letter will be sent informing the candidate of the reason they were denied. These letters are sent from Sterling Testing and the candidate has a certain period of time to appeal the decision. If you have any questions about this please contact Human Resources.

CATEGORIES OF EMPLOYMENT

Employees	All individuals who work for H&M and receive wages or salaries from the Company.
Seasonal Employees	Employees whose service with the organization is intended to be for a specified amount of time (not to exceed 120 days). Seasonal workers should be hired during peak business times, (should be during the holiday season or at other times designated by Support Office) and are not eligible for any benefits except the employee discount.
Full-time Employees	Individuals who are normally scheduled to work 32 to 40 hours per week and have open availability. Hours given are based on business need. Depending on business needs, these employees may be scheduled over 40 hours or under 32 hours. For benefit eligibility, refer to the Benefit Orientation Guide.
Part-time Employees	Employees who are normally scheduled to work less than 32 hours or do not have open availability. There is no guarantee of hours for part time employees. For benefit eligibility, refer to the Benefit Orientation Guide.
Non-Exempt Hourly/Salaried Employee	Employees who are not exempt from the overtime provisions of the Fair Labor Standards Act. (These employees receive overtime pay for overtime hours worked).
Exempt, Salaried Employees	Salaried employees who are exempt from overtime provisions under the Fair Labor Standards Act. (These executive, managerial, and administrative employees do not receive overtime pay for overtime work.)

ONBOARDING POLICIES

NEW HIRE PAPERWORK POLICY

All stores, District's etc. must immediately enter all new hire paper work into STAR on or before the first day the employee begins work. Note that each page of the H&M New Hire form has specific instructions listed regarding who completes which section and where the pages are to be archived. It must also be signed by the employee and hiring manager. Also, page 3 of the H&M New Hire form must be completed accurately as well as faxed and forwarded to the Payroll Department; no copies are to be kept in the store. This is especially important when new hire's are using IDs that require re-verification, such as a foreign passport. The Payroll Department utilizes this document to inform the employee and store when the ID is approaching the expiration date.

The mandatory information presented on this form should mirror what's entered into the system so double check for errors, such as

- Personal Information, Part One (e.g., name, address, marital status)
 - Hire date (date the employee begins work for H&M)
- Emergency Contact Information
- Hiring Information
 - Job Title (must use proper "in-training" job title for all store titles, applicable District/Region titles)
 - Home Department/Store
 - Home Team
- Availability (must be approved by the Store Manager)
- Personal Information, Part Two (e.g., Social Security #, Ethnicity)
 - ~~Salary~~
 - Must be approved by the Store Manager.
 - Must be entered into STAR correctly. Salary information for hourly employees must be entered at their hourly wage while salaried employees are entered at their bi-weekly rate (their annual salary divided by 26).
 - The new hire receives the original Job Offer letter and a copy been sent to the Payroll Department.
- Exemptions and Employment Verification
 - I-9
 - W-4
 - State Exemptions

If a new hire is being trained in multiple locations, then enter their temporary transfers into the H&M Employee Transfer/Status Change form *immediately* after processing their new hire paperwork in STAR. These transfers should mirror their training plan. Setting them up this way allows each coach to maintain an overview of the trainee during their time at their respective locations.

Non-Exempt Status for Management New Hires

During the course of their training period, all new hires (including Regional, District, and Store level positions) are to be classified as *non-exempt* employees. This will be captured by entering the 'in-training' title in STAR. Non-exempt employees will be eligible for overtime, travel time, as well as Company paid breaks in accordance with all relevant State or Federal laws.

New hires training for salary exempt positions (e.g., Store Manager), will become exempt upon successful completion of their training and placement in their new position. For example, the training plan for a Store Manager candidate is 13 weeks and during this time the employee is in a non-exempt role (STORE MGR – TRNG). The individual becomes exempt once the final feedback is given by the trainer to the trainee's supervisor (assuming successful completion of their training) and they have been placed within their new role.

An alert will be sent via STAR to a store's management team notifying them that the employees' training period is nearing completion for new hires. The alert will be sent 5 days before completion of the training period. This alert only applies to new hires for certain store-level positions that have the 'in-training' job title. Final feedback must be administered during this time. The employee's job title must change from "in-training" to their new title at the successful completion of training. For IPP's, the manager must keep track as no alert will be sent since varied training plans are used based on employee's own individual situation.

Managers **must** remember to change the employee's job title to reflect their new role at the end of the training period. This directly affects employees who are in bonus eligible roles as the employee will not receive a bonus until after he/she completes the training period and the title is changed.

Salary changes for an internal promotion should not be made effective until the training period has been successfully completed. However, the expected salary should be communicated to the employee before he/she goes through the training, so there are no surprises. The internal Job Offer letter outlines this requirement.

Refer to the 'H&M Employee Hiring Form' section of the STAR Store User Manual for more information on ~~how to~~ properly process this form in the system.

Seasonal Employees

An employment decision must be made for all seasonal employees prior to their 120th day of employment:

- Status Change - refer to the '**H&M Employee Transfer/Status Change Form**' section of this guide for further details.
- Termination (reason code "S" which allows the person to be re-hired unless being terminated for another reason). Please refer to the '**HM Employee Termination Form**' section of this guide for further details.

An alert is sent via STAR to a store's management team on the seasonal employee's 110th day of employment.

I-9 FORM POLICY

The purpose of completing the I-9 form is to verify an employees' identity and work authorization. It is important to make sure the employee and manager fills out the paperwork correctly. The manager who signs the I-9 is responsible for knowing all information regarding different IDs and filling out the form.

A manager may only accept **original and unexpired** ID documents and must perform a "reasonable inspection" of them to verify that they are genuine. This means a manager must examine the IDs and certify that they "appear to be genuine and relate to the individual named." If you are unsure, please contact the appropriate HR representative.

The hiring manager should tell a new hire at the Job Offer meeting to bring their IDs with them on their first day of employment. They must also provide them with the five pages which compose the I-9 form. If necessary, the new hire can review the 'Lists of Acceptable Documents' information so they can see which IDs can be used to verify their identity and work authorization. A manager **cannot** specify which forms of ID a new hire may present. This is to avoid discrimination against national origins claims. This, unlike other H&M new hire forms, is to be completed on the first day of employment, and not before (i.e. not at the Job Offer meeting).

If a new hire does not have their IDs on their first day, a manager should inform them they have 3 days to present them. However, Section 1 of the I-9 form must be completed on their 1st day of employment. If after 3 days, he or she fails to present them or a receipt of applying for an ID, the new hire needs to be terminated. However, the new hire **must** be paid for any hours worked. Once he or she presents the IDs, they can be rehired if there is still a position available.

Please keep in mind that you cannot use red ink when completing the I-9 form, only black or blue. Also, the ink color that is used by the manager must match the one used by the new hire. If the new hire or manager makes a mistake on the form, you don't have to redo the form. Simply cross out the mistake then include your initials and the date you made the correction next to the cross out.

There are also some forms of IDs that need to be reverified after a certain date such as unexpired passports with I-551 stamp. The Payroll Department will send a letter to the employee 120 days prior to the IDs expiration date informing them that they need to reverify them. The Payroll Department will also contact the store and inform a manager. If the employee fails to provide a receipt showing they applied for the ID or the actual valid ID by the expiration date, the employee must be terminated. Please note that a 'Permanent Resident Card' does not need to be reverified.

Please note as of July 2010, companies can no longer take Puerto Rican birth certificates that were issued prior to July 2010.

Employers must make their I-9 forms available to the federal government within 72 hours of an inspection notice. Therefore it's extremely important that they be organized in a clear and consistent fashion. This will make it easy for anyone to access the necessary document(s) quickly and easily. It will also make clear when these documents have reached their expiration date. **If your work location has been contacted for an I-9 audit, you must contact the Support Office HR Department ASAP.**

An employees' I-9 form must be kept for three years from the employees' date of hire or one year from their termination date, whichever is longer. I-9 forms for active employees must be separated from those of terminated employees. Completed I-9 forms and copies of the employees IDs must be stored in a binder and secured in a locked file cabinet, separate from the one used for employee files. They must also be organized alphabetically by an employees' last name. Please keep in mind that if completed I-9 forms are damaged or destroyed (i.e. in the event of a fire or flood) they must be redone.

The I-9 form (or any form containing confidential information) must be treated securely. It should never be handled in public areas (i.e., the break room) or left unattended. It should only be viewed or handled by those who have a legitimate business reason to do so. This means that only a manager and the new hire completing the I-9 form should be handling it. **Once it has been completed it should immediately be organized, stored and locked away according to the guidelines described in the previous paragraph.**

H&M District LP Managers and HR Generalists will be involved in the I-9 audit process with the stores. They will ensure that the forms are being processed and archived according to H&M standards. Further information regarding the I-9 process can be found in SIP.

SCHEDULES FOR NEW HIRES/TRAINEES

New Hires/Trainees should receive a proper training schedule (in STAR) during the time in which they receive introduction to their role. This means that they must be scheduled with their coach. **They should not be scheduled to cover functions (i.e. registers, fitting rooms, call-off) until they've been successfully trained to perform them.** The store's daily breakdown should reflect this.

Types of H&M in-store trainings

It is important to make a distinction in types of H&M in-store trainings:

Learning: When an employee is hired and trained at their home store, he/she is to receive a 2 week training period. This training period will now be referred to as an associate's *learning* period. The employee's salary costs and effective hours are applied to their home store.

Training: If an employee is receiving instruction in a store other than their home store, then that employee is considered to be *training*. The employee's salary costs are then applied to their home store. This applies for all in-store training portions for support, management, visual, and COR positions. If an employee is in the IPP (Internal Promotion) Process, then that employee is considered to be training. This applies even if the IPP is in their home store.

Schedules for new hires/trainees should follow the H&M Scheduling Policy. Please note, during Learning or Training periods, the employee must not be scheduled to cover a function.

If the store is planned to use base hours for a given week, and the store has an employee in *learning*, the store should inform the District Controller or Manager and create a schedule with the learning hours for the employee added to the normally scheduled hours for the week.

If the store is planned to use above the base hours for a given week, and the store has an employee in *learning*, the store should incorporate the learning hours within their given planned hours for the week.

The information on the H&M New Hire form should be entered into STAR before the employee's first day of work. This will make it faster for the store to receive their employee ID number. If a new hire is being trained in multiple locations, then a manager must immediately enter their temporary transfers into STAR (via the H&M Employee Transfer/Status Change form) after processing their new hire paperwork in STAR. These transfers should mirror their training plan. Setting them up this way allows each coach to maintain an overview of the trainee during their time at their respective locations.

COMPENSATION PROGRAM AND POLICY

H&M believes that the ability to attract, retain and motivate quality talent is important for our continued growth and success. Each H&M employee is eligible to be considered for career and/or financial opportunities without discrimination and in conformance with the Equal Employment Opportunity / Non-Discrimination Policy. Employment decisions are based on a combination of availability, demonstrated job performance, job related background, education, training, experience and any other factors that have a direct bearing on the business decision being made.

In order to keep the compensation program in line with the goals and values of H&M, key stakeholders may review the compensation program on an annual and "as needed" basis using such data sources as survey information, market data, specific competitor information and recruiter feedback from the field.

Competitive Base Salary

Salary ranges for store, district and regional level employees take work location into account. Each location has a Cost of Living (COL) index attached to it. In general, employees who work in areas which have higher costs of living will earn more than those in lower cost areas. These geographical differentials will be updated as needed by using salary surveys and research tools.

To determine what salary should be paid within the salary range, a manager should look at: prior experience, skill set, education/ certifications, past work experience, job performance and job location. Use this guide:

- Someone newly hired with minimal amount of experience, skill set, etc will normally have a starting salary in the lower quarter of the range.
- Someone with several years of similar work experience would usually start somewhere around the midpoint.
- Someone with extensive experience, proven future potential and/or for a high cost of living area can be brought in at the upper half of the salary range.

Re-hires will receive a salary based on the current salary range for the position in addition to prior H&M experience, skill set, etc. Previous salary alone does not determine the new salary.

Salary Adjustments for Promotions, Transfers and Lateral Movements

- Salary changes for an internal promotion should not be made until the training period has been successfully completed. The expected salary can be communicated before training begins. When a salary increase is given with a promotion, the employee should be generally brought to at least the minimum of the new salary range. The COL where the new position is as well as the current salary of the employee should be considered. Other factors to consider for promotions should be timing -- *If an employee is being promoted in Q4, you must take merit and salary equity into consideration as the employee will not be eligible for a merit increase. If you are giving an employee a salary increase that may affect their merit increase, it must be communicated to them before they sign the status change.*
- In the case of a transfer, the salary should stay the same unless employee is going to a significantly higher or lower COL.

- In the case of a lateral move (same level of position and salary grade to same level of position and salary grade), it is up to the manager to determine if an increase is warranted. In most cases, a lateral move WILL NOT mandate an increase unless the new role is in a higher cost of living location. If the individual is moving to a lower cost of living area, a salary adjustment downward may also be necessary. If the employee is high in range – above 75% - an adjustment may be made. It is appropriate to consider what other employees in similar roles are earning.

Please see the 'Employee Transfer Policy' section under Payroll and Timekeeping Policies for more information.

Reclassification/ Downward Adjustments

A reclassification of an individual to a lower salary may be made as a result of a decrease in performance, a transfer of position, relocation, organizational realignment or business requirements. The manager should consult with Human Resources to determine the new rate of pay. In certain cases, the employee may keep the same salary if the salary is not more than 10% over the maximum of the H&M salary range however he/she will not be eligible for future merit increases until the salary comes in line with the max of the range. H&M reserves complete discretion in determining an employee's new salary

Processing Salary Changes

The effective date for all salary changes should occur on a Sunday of a new payroll period. Salary changes can only be retro-activated up to 30 days beyond the effective date. Exceptions to this would require immediate supervisor approval. All salary changes must have the employee's signature before the Payroll Department can process the change.

All positions have a salary minimum and maximum salary requirement set up in STAR. If a manager enters a salary above or below these, the manager will not be able to process. This rule is put in place to control costs and for equity purposes. If there is a strong reason for going above the max, then the manager needs to have District Manager approval and the payroll must adjust. **A manager should not temporarily adjust the salary to fit the new store maximum and then have payroll adjust once the person is in the store.**

It is important that all salary changes be applied in a fair and consistent manner.

Please utilize the appropriate resources, as described in this document, prior to any salary adjustments. No promise of a salary adjustment should be made without prior approval from a manager.

If you have questions, please consult your District Manager prior to initiating a salary adjustment.

Before you process a status change please refer to the 'H&M Employee Transfer/Status Change Form' section of the STAR Store User Manual for more information on how to properly process this form in the system.

In-Training Classification and Salary

During the course of their training, both external hires and internal candidates for store positions and some regional and district positions are to be classified as *non-exempt*. The correct in training title must be entered into STAR to reflect this. **This means that these**

employees will be eligible for overtime, travel time, as well as Company paid breaks in accordance with all relevant State or Federal laws. See "New Hire Paperwork" section under Onboarding Policies for more information.

Annual Salary Review and Base Salary Adjustments

Generally speaking, *salary increases* should be administered during the H&M Annual Performance Review Process. H&M has a base salary adjustment system for annual salary increases tied to the performance review process. The performance review process is a systematic process designed to recognize individual contributions to H&M, while taking labor trends, economic conditions and the financial position of the Company into account. These guidelines are reviewed annually and are subject to Company discretion.

The review score, coupled with the location of the position and where the employee's current salary falls within the salary range, may be factors that can contribute to the % of increase.

The performance review time period is based on the 12 month calendar period (January through December). The performance review process itself begins in the 1st quarter of the calendar year and is completed on or before April 1st. The decision to grant or delay base salary adjustments is up to the company's discretion. Only employees hired on or before September 1st of the previous calendar year are eligible to receive an increase. Employees hired after September may be eligible for a minimal new hire adjustment. All employees participate in a performance review discussion regardless of base salary increase eligibility. Ongoing review discussions are encouraged throughout the year; these can include Midyear and Quarterly reviews.

Bonus Program for Store/District/Region

The objective of H&M's bonus program is to reward those who generate strong business results for their region, district, or store.

Eligible employees can include:

- Members of the Regional Team who directly report to the Regional Manager and directly affect the financial results: Regional Manager, Regional Visual Manager, Regional Controller, Regional HR Generalist
- Members of the District Team who directly report to the District Manager and directly affect the financial results: District Manager, District Visual Manager, District Controller, District LP Manager
- Store Managers, Store Visual Managers, Store Operations Managers, Store HR Generalists, Department Managers
- All hourly staff

H&M's bonus programs can vary by year depending upon its intended goal. Metrics can include:

- Sales
- SPH
- Staff Turnover
- Shrink
- Surplus 4
- Any other metric to be determined by the company

The bonus period covers the H&M fiscal year (December 1st through November 30th). The bonus payout schedule can be monthly, quarterly, annual or a mix thereof.

More details about the plans can be found on the Everyone drive, under H&M Procedures, or by speaking to your District or Regional Manager, Support Office HR or Regional HR Generalist. H&M reserves the right to change, alter or cancel the plan at any time based on business need and will communicate as appropriate.

Management Coach Bonus

H&M's Management Coach Program is an additional assignment that exists for the development of managers who have shown a proficiency in their job role and a strong work ethic infused with our cultural values and symbolic leadership. A Management Coach must meet certain criteria and possess a desire to help others learn and develop in their new role. The Management Coach role is for developmental purposes only and is not a position. Current job title and salary remain the same.

The objective of this bonus program is to reward managers who meet the expectations of their current role, while additionally supporting the growth and development of H&M by training newly hired managers and supervisor.

Currently, the bonus payout is a paid out in lump sum at the beginning of the calendar year as a reward for the previous year's work.

In order to be eligible for the management coach bonus, an employee must have trained one (1) or more H&M employees to take the position of manager (i.e. District, Store, Department) or supervisor (Full or Part-time) within the fiscal year. The employee must also still be in a management position and in good standing (no corrective actions issued or performance problems) at the time of payout.

More details of the plan can be found out by speaking to your District Manager. H&M again reserves the right to change, alter or cancel the plan at any time based on business need and will communicate as appropriate.

Other Incentive/Reward Plans

As determined by business need, the Company may add additional bonus/incentive/reward plans to recognize employees for meeting certain goals.

Career Opportunities

H&M believes that the opportunity for promotion and lateral development is important for our continued growth and success. Each H&M employee is eligible to be considered for promotion and/or transfer without discrimination and in conformance with the Equal Employment Opportunity / Non-Discrimination Policy. Decisions regarding promotions are based on a combination of availability, demonstrated job performance, job related background, education, training, experience and any other factors that have a direct bearing on the position to be filled.

Internal Job Posting Process

H&M will, in most instances, advertise in the Shop Info open positions and the requirements of these positions that become available in the Support Office, Warehouse District/Region offices, etc. Interested candidates will need to submit a resume detailing their H&M and past work experience. Interviews will be conducted with candidates who are qualified.

While it is H&M's philosophy to promote from within whenever possible, there are business conditions that could cause a position to be filled without a posting. The business conditions that could cause a decision to bypass posting include, but are not limited to: organizational restructuring; position requirements that include skills, education, and/or experience that are not known to match any existing employee; or, critical operational needs. In addition to these business conditions, managers may request an exception when they have internal employees within the same department or division who are qualified and/or already trained for the position.

Requirements for Internal Positions

H&M maintains certain requirements for various positions, such as years of experience, specific education, certain technical skills, etc. On occasion, H&M will change the requirements that qualified candidates should possess in order to assume a certain role. An example is requiring a Bachelor's Degree whereas one in the past may have been preferable.

In these instances, an internal candidate may surface who may wish to pursue the additional job requirement in order to qualify themselves for a promotion or job move. At these times, H&M will consider a temporary modified work schedule. Their status as a FT or PT employee may remain the same during this temporary period.

The interested employee should partner with their immediate supervisor to assess the feasibility of creating a temporary modified work schedule. If this is feasible, the supervisor should then partner with their Regional HR Generalist or their Support Office HR Manager (if applicable) to have this decision approved and documented. This step ensures fairness and consistency. It is the employee's responsibility to communicate any changes to their availability at least four weeks in advance in order for H&M to assess their qualification for a temporary modified work schedule.

Finally, the employee understands that they must still be able to fulfill all of their job responsibilities in accordance with H&M's policies and procedures. In addition, the employee understands that should business need dictate, H&M may suspend the modified work schedule on a short- or long-term basis. This suspension, however, will be given with reasonable notice. Further, the employee understands that obtaining the additional job requirement does not guarantee placement within the desired position.

Please remember, this only applies when H&M requires a degree or other certification and not in cases where an employee wants to go to school for their own personal development.

Internal Promotion Process

Please remember that for Region/District positions, store Management, Cash Office Responsible, Department Supervisor, and Visual Merchandiser positions, employees go through the **Internal Promotion Process (IPP)**. Before the person is sent on IPP a criminal check must be performed for all management, Department Supervisor, and Cash Office Responsible positions.

This IPP entails either relocating the employee to a different store/location for a period of time or working in his/her own store. The employee will work with the management team to ensure he/she possesses those qualities needed for the position. The employee will receive formal feedback on how he or she performs in their sales associate role and their management, cash office, or visual potential. More information on this process can be found on ShopDocs.

When the employee has completed their Internal Promotion Assessment Process, the evaluating manager will meet with the employee and together fill out a final criteria assessment form. By reviewing the job description, the assessments and an action plan, a decision will be made about the next step.

PAYROLL AND TIMEKEEPING POLICY

Pay Cards/Direct Deposit

All employees are paid bi-weekly for the 2 weeks prior except for employees located in New Hampshire and Rhode Island. If a payday falls on a holiday, pay will be issued on the last scheduled workday prior to the holiday. Pay schedules are subject to change as the Company reserves the right to change its pay cycle and process in accordance with its business needs.

All newly hired employees have to elect having their pay directly deposited into a bank account of their choice by filling out a Direct Deposit form or complete the Employee Pay Card application form found in the Employee Paycard packets held at the store. If the employee does do this, he or she will risk not being paid on time as manual checks are no longer done.

All employees can view their paychecks by accessing the ADP Self Service website at your work location or from home. The URL website is : <http://workcenter.probusiness.com> This site allows you to view and print all pay statements issued to you since June 15,2009 including your annual W2 Form.

When there are any questions, problems, or concerns involving an employee's pay statement:

- The employee's manager should check the employee's timesheet for the week in question.
- **ONLY MANAGERS** should compare the recorded hours on the timecards or timesheets with the hours paid on the employee's pay statement.
- The manager should call the Payroll Department if there is a pay issue or to make the adjustment. In order for the pay issue to be processed, please complete a Payroll Correction form and fax it to the Payroll Department no later than Monday at 4pm. The adjustment will be processed as soon as possible, with the funds deposited in your personal bank account or on your Employee Paycard.
- Terminations requiring immediate payout between payroll processing cycles for employees with direct deposit have to be issued on a Pay Card. Pay Card enrollment packets are kept at all H&M locations to be given to the terminated employee with the enrollment application faxed to the assigned Payroll Representative.

Please contact the Payroll Department immediately if a manager should not be paid for any reason, such as:

- When a manager (exempt or non-exempt) has been terminated before completing their scheduled shifts for the week,
- If a manager (exempt or non-exempt) has been suspended without pay, or
- When a manager has used unpaid time (i.e., they leave early and don't have any wellness days to apply to their work time). This applies to hourly and salaried non-exempt managers only.

DEDUCTION AND OVERPAYMENT POLICY

H&M will not willfully make improper deductions for our employees. Please inform the Payroll Department and your Store or District Manager immediately if an improper deduction

has occurred. The Payroll Department will then reimburse the employee for any improper deductions as soon as possible.

In the event that an employee is inadvertently overpaid for any reason (e.g., additional hours not actually worked, salary, incorrect or inadvertent bonus or merit increase) the employee must notify their manager immediately so that the overpayment can be rectified immediately. H&M reserves the right to deduct the overpayment from the employee's paycheck except where state law dictates otherwise.

FAIR LABOR STANDARDS ACT AND OVERTIME POLICY

The FLSA determines the pay requirements for non-exempt and exempt employees. Employees in a non-exempt position are eligible for overtime after working 40 hours a week. Exempt employees are not eligible for overtime.

- Overtime should be kept to a minimum. All nonexempt employees should **ONLY** work overtime if directly requested and/or approved by his or her supervisor.
- If a nonexempt employee performs ANY work, he or she needs to be paid. Comp time does not apply. Per the Fair Labor Standards Act, it is illegal to not pay nonexempt employees time and a ½ after 40 hours worked in a work week.
- A manager must authorize all overtime. Failure to comply with this policy will result in disciplinary action however the employee needs to get paid for the hours worked.
- All current states, with the *exception of Massachusetts and Rhode Island*, recognize time and a half for any hours worked over 40 hours per week. Non-exempt employees in Massachusetts and Rhode Island receive time and a half for hours worked on Sunday.
- Other state laws apply such as daily overtime in California for hours beyond 8 in one **work day**. Each manager is responsible for knowing their local overtime regulations and complying with such laws.
- Please be aware of the different overtime laws in each state. An employee will receive **overtime pay** in accordance to each store's state laws. Thus, if an employee from NY is supporting a MA store, the MA overtime law applies. If you're unsure, please speak to your Regional HR manager or Payroll Representative.
- All non exempt managers are entitled to overtime pay for the following holidays worked in Massachusetts and Rhode Island stores *only*: Columbus Day and Veterans Day, Victory Day only in Rhode Island
- All other states, including MA and RI, receive the following holidays and all holiday rules apply:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Please refer to the STAR Store User Manual for additional information on how to manage overtime and other time and attendance concerns in the system.

Non-exempt employees need to get paid if they are physically working including season start meetings, fashion shows, etc. This also includes scheduled time that an employee has to wait for a manager to open the store. Travel time is also considered actual hours worked.

If a location closes early due to an emergency, a non-exempt employee (including both salaried and hourly) who has started his/her shift will receive payment for the remainder of his/her shift.

No non-exempt employee (including both salaried and hourly) will be paid in an emergency closing situation unless he or she actually reports to work and begins his or her shift.

In the event that the location closes for the entire day or the employee cannot get to work due to the emergency, non-exempt employees should take a wellness or vacation day for the day. Exempt employees will be paid regardless if the location closes for the day. However, he or she must use vacation or wellness day if he or she has any time left and the location is open but he/she cannot physically get to work.

Exempt employees are not eligible for overtime. Exempt employees should always get paid their full salary, except in the following cases:

- When the employee begins employment sometime after the beginning of a payroll period;
- When an employee does not work any hours during a workweek and has no vacation or wellness time left;
- When an employee is taking intermittent FMLA leave;
- When the employee has been terminated before completing his/her scheduled shifts for the week, or
- If they have been suspended without pay per manager approval.

Please call the Payroll Department immediately if a manager should not be paid for any reason.

REHIRE POLICY

Any employee in good standing who leaves H&M for voluntary reasons may be eligible for rehire. If an employee's status is rehirable, H&M does not guarantee that employee a position. Decisions concerning a rehire are based on past performance ratings, work history and business need. Any employee who leaves H&M for involuntary reasons is not ordinarily eligible for rehire with the exception of quit or NCNS.

Other points to consider for rehires:

- **When re-hiring an employee in STAR, if you click the 'Validate' button on the H&M Hiring Form and no employee information appears, do not enter their employee information into the system.** You must contact the Payroll Department to have them re-enter the employee's record and reactivate their user ID.
- The Store Manager must agree to have the employee return based on the employee's file and performance. In general, the employee should return to the same position they were in when they left H&M. Thus, if an employee was a sales associate the employee should be rehired as a sales associate, not a manager. The amount of time the employee has been gone and the experience received outside of H&M will determine the appropriate position.

- Rehires are not guaranteed the same position or salary. Job offers are contingent upon accrued skills and experience, past performance, work history, business need, current salary matrixes and management discretion.
- The employee needs a criminal background check completed if he or she has been gone for more than 90 days.
- The Store Manager needs to fill out the H&M Change of Status form and have the employee fill out all new hire paperwork if he or she has been gone for more than a year. If the employee has been gone for less than a year, the H&M Change of Status form must still be filled out as well as a new application and the manager must call the Payroll Department to verify what paperwork is needed.

If an employee returns within 6 months of their termination date, he/she will have Company service time bridged to the original hire date and the following will apply:

- Vacation and Wellness time will be based on the original date of hire; however, the accrual starts upon the rehire date. All prior accrued and unused vacation should have been either taken or paid out upon termination.
- There will be no waiting period to utilize paid time off benefits (e.g., vacation, wellness, jury duty, bereavement).
- There will be no waiting period for parental leave pay as long as the employee meets Company requirements.
- Employees will be eligible to earn benefits (medical, dental, vision, life, STD, LTD, etc.) on the 1st of the month immediately following the rehire date.
- Service anniversary rewards will be based on the original hire date.

Employees rehired into bonus eligible roles and undergo training will not be bonus eligible until after ~~the training is completed~~. If no training is required, the employee will become eligible immediately.

Employees who are rehired after 6 months of their termination date will not have any prior service time bridged and will need to go through any applicable waiting periods in order to qualify for any benefit or compensation plans. For leaves of absence and 401K benefits federal and state guidelines will apply (contact the Benefits Department for details).

TRAVEL TIME (Excluding California)

All travel time should be entered into STAR directly by the stores within the payroll period that the travel occurs. Any non-store non-exempt employee who travels will continue to send the Travel Hours Payroll Report to Payroll. Exempt employees should not be entering travel time in STAR.

All travel time will be paid as regular working hours and will be subject to overtime. Thus, if an employee works 40 hours and then travels for another 8 hours, the employee will be paid 8 hours of OT.

Who is Eligible for Travel Time?

Hourly and salaried non-exempt employees are eligible to be paid for travel time since they are paid for all actual hours worked.

How does H&M do Payroll Calculations for travel time?

All travel hours are calculated as hours worked and thus do apply to overtime.

When calculating Travel Time for non-exempt employees, please remember to deduct any meal times as well as the normal commute hours (when leaving from their home) from the total travel time.

Ex. Normal commute to work – ½ hour
 Travel to meeting – 9 hours
 Meal Break- 1 hour
 Travel Hours = 7 1/2 hours

All Travel Hours should be reported on the **Travel Hours Payroll Report**, approved by a Store Manager, District/Regional Manager or Function/Department Manager and filed in the employee personnel file. We must keep the paper form for auditing purposes.

The travel hours must be entered into STAR within the pay period that the travel date occurred in. All travel pay must be entered into STAR at the close of the payroll period (Monday at noon) in order to guarantee payment for that payroll. If this is not possible, the Travel Hours Payroll Report must be sent to the Payroll Representative within 30 days of travel.

What documentation do I need when filling out Payroll Travel Hours Report?

All employees are responsible for estimating the amount of time spent traveling based on the guidelines explained in this policy and the employee's manager is responsible for ensuring the hours to be paid are correct. However, the employee must be able to provide documentation if requested. Any falsification of travel hours will be subject to disciplinary action, up to and including termination. Random audits will be conducted on all travel hours reports.

What are some things to consider when an employee travels?

- In general, travel time must occur during an employee's normal working hours on a normally scheduled working day to be paid. Travel time away from home that occurs outside of regular working hours is not considered work time.
- There are special rules for overnight travel. Employees must be paid during their working hours without regard to whether the day is a normal workday (e.g., Saturday or Sunday for office employees).
- Travel to and from the train station/airport/hotel on weekends is considered work/travel time and needs to be paid.
- Non-overnight travel which is away from the usual fixed work location and outside regular work hours to a location in another city is considered work/travel time.
- Ordinary commuting time is not considered work time and thus should not be paid.
- All necessary waiting time at the airport or train station for check in purposes (i.e. 1 hour for domestic flights, 2 hours for international flights), airplane or train delays as well as any traffic delays must be paid as long as it is not more than 8 hours.
- H&M must pay for hours worked including attendance at meetings, workshops and training programs.
- Travel between two job sites during a normal workday is considered work/travel time and needs to be paid.
- The Department of Labor does not expect an employer to pay an employee for

more than a day's work when traveling thus no more than 8 hours per day will ever be paid for travel for any travel.

How does the employee calculate the actual amount of travel time that needs to be paid when an employee takes a plane or train?

H&M will pay for the flight or train time as indicated on ticket/itinerary. An employee will be paid for all hours of waiting time for US and international flights and train rides as long as the actual flight or train time plus waiting time is not more than the normal 8 hour shift. i.e. Employee A flies from NYC to Washington, DC and has a 2 hour flight as well as 3 hours of waiting time due to delays. Employee A will get paid for 5 hours. Employee B flies from Atlanta, GA to Boston, MA and has a 3 hour flight as well as 6 hours of waiting time at the airport. Employee B would only get paid for 8 hours.

How does the employee calculate the actual amount of travel time that needs to be paid when an employee chooses to drive?

- H&M will compare the time driven to Mapquest estimates. The employee will need to indicate the amount of driving time on the Travel Hours Payroll Report.
- H&M pays for any traffic delays as well as driving time up to but not more than an 8 hour shift.
- All authorized travel time spent driving an automobile is treated as work hours, regardless of whether the travel takes place within normal work hours or outside normal work hours.
- If an employee drives a car as a matter of personal preference when an authorized flight or other travel mode is available and the travel time by car would exceed that of the authorized mode, only the estimated travel time associated with the authorized mode will be eligible for compensation.

EMPLOYEE TRANSFER POLICY

Before you process a transfer:

- Has it been approved by the Store Manager or immediate supervisor? Their signature should be on the form.
- Has the District Manager approved any job title or salary adjustments in connection with the transfer? For store level staff, a District Manager doesn't have to sign a Transfer/Status Change form, but must verbally approve the change. This should be confirmed by the manager placing a check in the 'Contacted District Manager' checkbox located in the STAR Transfer/Status Change form. Also, District Managers have access to STAR and to reports highlighting status changes. They will follow-up with the stores to address any inconsistencies.
- Is the salary adjustment appropriate for the store and position according to the Company's COL indexes? This applies to both status changes as well as permanent transfers.
- Is the job title correct? Employees 'in-training' will have their job title changed only upon successful completion of their training and placement in their new position. If you're unsure contact the Regional HR manager.
- Has the form been filled out (in STAR), signed by all parties and faxed and forwarded to the Payroll Department?
- The effective date for transfers is the Sunday of a new Payroll period. Effective dates for transfers *cannot* be back-dated in STAR. Please contact the Payroll Department in the event that an effective date needs to be modified. You must have the District Manager's approval beforehand.

- Has the employee been given and completed the proper benefits paperwork for the new position? Remember that a status change may result in eligibility for different benefits and the employee should be given the necessary paperwork to complete before the enrollment deadline.
- For *permanent* transfers,
 - Is the correct effective date being used?
 - Is the correct cost center being used?
 - Have the expectations been communicated to the employee (e.g., start date, schedule, and role within the new location)?
 - Has the receiving store received the employee's file, including their I-9 form (for permanent transfers)?
 - Has the receiving store placed the employee on the schedule?
 - Has the salary been reviewed to see if any difference in COL for the position?
- For *temporary* transfers,
 - Has the start and end dates been communicated to the receiving store?
 - Is the correct cost center being used?
 - If an employee is being transferred to multiple locations (e.g., training for a new position), did you enter all of their temporary transfers onto the 'HM Employee Transfer/Status Change' form in STAR?
 - Once transferred, is the employee's timesheet being reviewed and authorized by the appropriate manager at the receiving store?
 - Are the correct pay rules being applied for the transferred employee? For example, a California non-exempt employee who temporarily transfers to a cost center in New York will still be entitled to daily overtime. If you're unsure, please partner with the Payroll Department.
 - Has travel time been properly processed in STAR?

Please refer to the 'H&M Employee Transfer/Status Change Form' section of the STAR Store User Manual for more information on how to properly process this form in the system.

CHANGE OF PERSONAL INFORMATION POLICY

If an associate has a change in any personal information (address, marital status, etc.):

- A manager has the ability to update an employee's address (including their home state), phone number, and emergency contact information in STAR.
- The Payroll Department has the ability to update an employee's name, marital status, and social security number in STAR.
- A manager and the employee should fill out a Change of Status form for information that Payroll must update in STAR, such as a name change.
- The form should be signed by the employee, faxed and forwarded to the Payroll Department along with any additional documentation (i.e., marriage certificate). No copies are to be kept in the store.
- The change will go into effect once inputted into STAR. The Payroll system will be updated by the next pay period.

SCHEDULING POLICY

All stores are required to create schedules based on their store specific master schedule. The master schedule reflects all functions and shifts necessary to meet the store's customer and business needs. The daily breakdowns must also reflect the breakdowns from the master schedule.

Posting of Schedules

- All stores must publish, print, and post the weekly schedule at least one week in advance on Sunday by 5pm local time (i.e. the schedule for Week 40 must be posted by Sunday of Week 39) unless otherwise directed by the District team.
- Remember that all requests for planned time off must be submitted at least 4 weeks in advance.
- All employee schedules (including managers) should be viewable to all staff members.

Break Schedule

- All breaks (paid and unpaid) must be included in the daily breakdown.
- When an employee is scheduled for a break, the employee *must* take it. The employee cannot save one break for the end of the shift so he or she can leave the store earlier or decide not to take the break. The break is considered mandatory, not an option, and in some states it is even required by law.

Closing Shifts

- All shifts must have a set closing time written on the schedule.
- The latest a closing shift can end is at 1 am. Management cannot force any employee to stay after that time, regardless of the status of the store.
- If a Store Manager *knows* in advance that the store will need to have employees stay longer than 1 am for one specific night (i.e. inventory) or a holiday period, he/she must receive prior approval from the District Manager. The Regional HR Generalist also needs to be informed and it must be communicated to the staff when the schedule is posted.
- If management needs employees to stay later than 1 am (for reasons other than planned above), they can ask for volunteers but cannot force anyone to stay. Overnight shifts, which are allowed in some stores per the business need, are excluded from this rule.

Canceling/Shortening Shifts

- As a general rule, full shifts must be cancelled by 8 pm the day prior, at the latest. It is the store's responsibility to contact the employee to inform him or her about the change. If the manager does not speak directly to the employee and the employee shows up for work, he/she has the right to work the scheduled shift.
- Another alternative to canceling/shortening a shift is to ask for volunteers. This can be done the same day but the manager has to give the employee ample time to decide if he/she wants to leave. It must also meet the state minimum, where applicable (see the 'Minimum Amount of Hours for a Shift' section for further details) If the employee wants to stay the entire shift, then it is his/her right, and management should not try to convince the employee to leave.
- During the closing shift, a manager can decide that the store is up to standard and send employees home earlier than the posted end of shift. For example, the employee is scheduled for a closing shift until 11 pm but the closing procedures are completed by 10 pm. In this case, the employees would only be paid until 10 pm. However, in order for this to occur, the employee must have worked the minimum hours as noted below per state guidelines.

- There are certain extreme emergency situations, such as bad weather or power breakdowns, when the store has to close during regular opening hours. If the employee is already working when the store closes, he or she will get paid for the rest of the scheduled shift, not the minimum hours required per state. If an employee is scheduled for a shift after the store closes, the manager needs to call the employee as soon as possible to cancel the shift. If the employee still comes to work and a manager physically sees the employee, the employee needs to be paid for the scheduled shift. If the employee is not seen by the manager, then they may be able to use a Wellness day in order to be paid.

Guaranteed Time Code (GUAR)

In certain states, there is a minimum amount of hours the employee legally has to be paid for if they come to work, such as:

Massachusetts- 3 hours	New Hampshire- 2 hours
New Jersey- 1 hour	District of Columbia- 4 hours
New York- 4 hours	Rhode Island- 3 hours
California- 4 hours	

The GUAR time code is to be used in cases where the employee is sent home before completing the state minimum. This includes closing shifts. The time code is applied so they reach the state minimum. For example, if a California employee was sent home after completing 3 hours of their shift, a manager would apply the GUAR time code for one hour, bringing the total hours to 4.

Guaranteed time can also be used in cases where an employee is sent home due to a store closing (for example, during a blackout or snow storm) and thus needs to be paid for the remainder of his/her shift. This only applies to non-exempt employees who have arrived for their scheduled shifts.

Guaranteed time should not be applied in cases where an employee chooses to leave early. For example, a California employee who leaves after working 3 hours for personal reasons does not receive guaranteed time. This should be documented (on paper) so as to avoid confusion.

Refer to the 'Apply a Time Code Override' section of the STAR Store User Manual for more information.

TIMEKEEPING POLICY

Company Workweek

The workweek at H&M is the seven-day period beginning at 12:01 a.m., Sunday and ending 12:00 midnight, Saturday.

Clocking In/Clocking Out

All employees should clock in and out according to their schedule. Employees are to be paid for all time worked.

Timesheets

All stores should have the timesheets authorized daily by 10 am local time (unless otherwise directed by your District Team). The Supervisor Summary should be completed every Sunday before close of business (unless otherwise directed by your District Team). A printed and signed copy of the Summary must be placed in the Payroll binder.

The expectation for H&M managers will be that, in most cases, they will be scheduled to work at least 40 hours per week. **It is every manager's responsibility to ensure that they are working their scheduled shifts.** Scheduling factors (such as vacation, wellness, serving on a jury, taking bereavement time, etc.) will be taken into consideration. However, failure to work the assigned schedule can result in disciplinary action, up to and including termination.

All employees are responsible for ensuring accuracy of the hours worked and should review their pay statements every pay period to ensure that the information is correct.

Please refer to the STAR Store User Manual for further details on how to manage timesheets in the STAR system.

WELLNESS POLICY

As part of H&M's benefits package, exempt and nonexempt full-time employees are eligible for 7 paid Wellness Days per calendar year after 90 days of employment. PT Department Supervisors may earn up to 3 days per calendar year. These are not accrued. Employees can take these days in 1 hour increments. These days can be used for the following reasons:

- for sick days for the employee and/or dependent
- a medical appointment for the employee and/or dependent
- unforeseen emergency circumstances such as hurricanes, blizzards and blackouts

Wellness Days cannot be used for any other reasons. H&M will require the employee to take Wellness Days if they ask for an unpaid leave.

H&M will comply with all federal, state, and municipal guidelines regarding Wellness days. There is no carry-over of Wellness Days from one year to the next and no pay out upon termination. When an employee changes status from full-time to part-time, they are immediately ineligible for Wellness Days. There will be no payment of unused Wellness Days after the status change except where state or local law applies.

When an employee is absent, or requesting to use Wellness Days, for 3 or more consecutive shifts a note from a healthcare provider is required. When an employee is absent for less than three shifts, a manager has the discretion to request a note based on the employee's attendance trends.

An employee's attendance trend may signal the need for a leave of absence (LOA) or other important health benefit, such as a reasonable accommodation. Please partner with your Regional HR Generalist for accommodations or Benefits Department for LOA process to decide on the best way to proceed. You may also contact Cigna Behavioral to see if the employee qualifies for LOA related benefits.

Some points to consider when dealing with your staff and Wellness Days:

- *When could a manager or supervisor request a note from an employee?*
 - ❖ A note from a healthcare provider is mandatory if an employee is absent, or requesting to use Wellness Days, for 3 or more consecutive shifts. If it's less than 3 shifts a manager or supervisor has the discretion to request a note. Even if an employee has an appointment, he/she can be asked to bring in a note for verifying the appointment. This is usually done when there is an apparent pattern of absenteeism.
- *Why is it so important?*
 - ❖ A note will help managers make the best decision for the employee (such as FMLA, reasonable accommodation, etc.) as well as the business. A note from a healthcare provider helps to determine if and when an employee can return to work, as well as under what circumstances.
- *Does a note from automatically excuse an absence?*
 - ❖ If an employee brings in a note, this does not automatically disqualify an employee from the progressive discipline policy. Again, an employee's attendance pattern should dictate the next step in the disciplinary process.

What should a note contain?

- ❖ Ideally, the note should not contain medical information. It should state:
 - the day of the visit(s)
 - whether or not the employee is able to return to work
 - when they can return
 - what specific restrictions they may have (i.e., "patient cannot stand for more than four hours without a break"), if any

These types of notes are considered "one-off" notes and can be placed in the employee's file.

- If a manager receives a note containing medical information they will document that they received and reviewed the note before forwarding it to the Benefits Department. **No medical information is kept in the store.**
- *How will a manager follow-up?*
 - ❖ Follow-up will depend on a variety of factors, such as:
 - **Determining if and when the employee is able to return to work.** The note should make clear when an employee can return to work, as well as under what conditions (see next bullet point).
 - **If the employee qualifies for a reasonable accommodation.** If the note gives specific restrictions (i.e. "patient cannot lift more than 10 pounds"), a manager will partner with a District Manager or Regional HR Generalist to determine the best course of action. Under no circumstances should a reasonable accommodation request be denied at the store level, and the partnership with the District and HR teams in these situations are required. Until a decision is made, an employee cannot return to work. This is for their safety.
 - **If the employee qualifies for FMLA or a state-specific medical leave of absence (LOA).** These are excused absences and do not result in a corrective action being taken against an employee.
 - **The employee's attendance pattern and frequency/duration of past absence/tardiness.** If the employee doesn't qualify for a LOA, then the manager should decide on the best course of action according to H&M's progressive discipline procedure. The manager will partner with a District Manager or Regional HR Generalist to determine the best course of action.

LEAVE OF ABSENCE (LOA) POLICY

There are different types of leaves of absence which are allowable under the H&M Company Leave Policy and Procedure guidelines.

FEDERAL FAMILY AND MEDICAL LEAVE (FMLA) POLICY

General

The Company will grant eligible employees unpaid family and medical leave in accordance with the Family and Medical Leave Act of 1993 (the "FMLA"). To the extent that an applicable state or local law provides greater leave rights than the FMLA, the Company will provide leave in accordance with such laws.

Please refer to the LOA Poster in your location for more information.

If both partners in a relationship (who work for H&M US) qualify for FMLA leave, H&M policy is to allow both to take advantage of the leave benefit. This is provided that, in doing so, it does not cause an undue hardship on the business.

To determine if an employee is eligible for FMLA leave during any given work week on a "rolling year" basis, one looks back over the 12 months immediately preceding that week. If the employee has not utilized the equivalent of 12 weeks of FMLA qualifying leave in the 12 months prior to the date in question, then the employee is eligible for that week of leave (assuming all other eligibility criteria are met).

In utilizing a rolling year, this analysis may be conducted each week to determine continued eligibility.

If medically necessary due to an employee's serious health condition or that of his or her domestic partner, spouse, child or parent, FMLA leave may be taken on an intermittent or reduced leave schedule basis. If FMLA leave is requested on this basis, however, the Company may require the employee to transfer temporarily to an alternative position, with equivalent pay and benefits, that better accommodates recurring periods of absence or a part-time schedule. It will be the manager's and employee's responsibility to track intermittent leave and apply any unused Vacation or Wellness time to the employee's unpaid portion of the leave. The Intermittent Leave tracking sheet can be found on SIP with necessary instructions.

Eligibility

Unless State legislation defines differently, in order to be eligible for FMLA leave, an employee must have been employed by the Company for at least 12 months and must have worked at least 1,250 hours during the 12-month period preceding the commencement of the leave.

Application of Paid Leave

An employee who is granted FMLA leave will be required to first apply any earned unused Vacation and/or Wellness days to the otherwise unpaid portion of the leave. FMLA also runs concurrently with worker's compensation, disability leaves and state leaves where allowed.

For employees who qualify for short-term disability (STD) benefits, paid time off (e.g., Vacation, Wellness, or paid Parental Leave if LOA is for own maternity) will only be applied to the unpaid portion of the leave. There is a 7 day waiting period before STD benefits are activated, so paid time off (e.g., Vacation, Wellness, Parental Pay if eligible,) would be applied during this period (40 hours maximum).

Any unused and accrued vacation will be allowed to be rolled over at the end of the calendar year for the use of paid time off during an FMLA or state approved leave of absence, regardless of the amount of days. Thus, the 5 day carryover rule does not apply to employees who are actually on an FMLA or state approved leave of absence that begins in one calendar year and rolls over into the next. However, all carryover vacation time must be used by March 31st or will be lost.

Reinstatement

The manager must complete a Leave Reinstatement form and attach the Return to work note from the Health Care Provider if the employee is out for their own medical condition to the Benefits Dept FAX # 1-201-246-4834.

Unless otherwise permitted by law, an employee who returns from FMLA leave will be restored either to the same position he or she held before going on leave or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment.

At the end of FMLA leave, benefits will be resumed at the same levels provided when FMLA leave began, subject to any changes in benefits affecting the workforce that may have occurred while the employee was on leave and changes in the employee's status upon his or her return to active employment. An employee's right to reinstatement or other benefits and conditions of employment is no greater than if he or she had been an active employee during the FMLA leave period.

H&M PARENTAL LEAVE OF ABSENCE POLICY

Eligibility

All eligible employees may receive an additional 3 months of unpaid leave to care for an adopted or natural born child directly after completion of FMLA. Employee must have been on FMLA first to receive this leave. This leave is only allowed to be used on a continuous basis and has to be taken immediately following FMLA. The employee cannot take this leave if they have returned to work after the birth of a child. Intermittent leave is not available. The maximum amount of total time off, including FMLA, applicable state laws and Parental leave is 6 months.

To the extent that an applicable state or local law provides greater leave rights than this policy, the Company will provide leave in accordance with such laws.

Application of Paid Leave

An employee who is granted parental leave of absence will be required to first apply any unused accrued Vacation, Wellness or Parental Leave Pay to the otherwise unpaid portion of the leave. Disability, worker's compensation or state family paid leave may be able to be used as well for the unpaid portion of leave.

Employees who are on a parental leave of absence are allowed to take vacation before it is accrued. However, the Company reserves the right to deduct the amount from the employee's final paycheck if the employee leaves the Company, unless state law defines otherwise. The employee may also be asked to sign an authorization for deductions at the time the advance is first made and again at the time of separation when the deduction is made.

Reinstatement

Unless otherwise permitted by law, an employee who returns from a parental leave, after being out from 4-6 months, will be restored to a position of comparable worth (benefits /

pay and other terms and conditions of employment may not be the same as the original position). Business need and the manager's discretion may determine the position.

An employee, whose parental leave exceeds 6 months within a 12-month period, will not be guaranteed a job upon return from the leave, unless otherwise required by law.

An employee who fails to report to work at the end of an approved parental leave will be deemed to have voluntarily resigned.

H&M PARENTAL LEAVE PAY POLICY

All full-time employees who meet federal FMLA requirements of one year employment and 1250 hours and adopt or have a baby will be eligible for 5 days of parental paid leave per year. The 5 days need to be used within 12 weeks of the baby's birth. For employees who give birth, the parental leave needs to be used prior to using the paid portion of short term disability, or if ineligible for STD before taking any vacation or wellness days or unpaid leave. Employees may be asked to present valid documentation of the child's birth or a adoption in order to be paid.

H&M LONG TERM DISABILITY LEAVE POLICY

Eligibility

H&M's Long Term Disability (LTD) benefit is provided to full-time employees who are on a leave of absence (LOA) due to their own medical condition and who have exhausted the 26 weeks of pay offered under H&M's Short Term Disability (STD) plan. In order to be eligible for this leave policy, the employee must still be employed at H&M and have qualified for FMLA.

Application of Leave

FMLA runs concurrent with the first 12 weeks of STD. Once FMLA ends, H&M will provide a Long Term Disability Leave of Absence to the employee. This Leave bridges the gap between FMLA and the start of the LTD benefit. This Leave is only for employees who are out on a leave due to their own medical condition, previously on FMLA and who have been on STD for the full 26 weeks.

Reinstatement

If an employee is able to come back to work before the LTD benefit begins but after the FMLA period expires, unless otherwise permitted by law, an employee will be guaranteed a comparable position within the Company but not necessarily the same position. Benefits, pay and other terms and conditions of employment may not be the same as the original position. Business need and the manager's discretion may determine the position. Once LTD commences, the employee's employment status with H&M is terminated.

H&M WORKERS COMPENSATION LEAVE POLICY

Eligibility

Any employee who gets injured at work must follow H&M application procedures with our Workers Compensation carrier. All claims must be called in. Please refer to the Workers Compensation section or Shop Docs for more information.

If an employee is approved for Workers Compensation, regardless of how long the employee has been employed at H&M, he or she will be held on the active payroll for a maximum of 6 months time. At the end of those 6 months, Workers Compensation pay may continue but the employee will be taken off the active payroll.

Reinstatement

An employee who returns from workers compensation leave will be restored either to the same position he or she held before going on leave or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment.

If there is a denial of Workers Compensation benefits, an employee must return to work immediately.

If an appeal has been made, the employee will have a maximum of 6 months from the leave date to return to work.

If an employee fails to provide required information or the documentation needed to process the claim within 30 days, the employee will be terminated.

H&M OTHER MEDICAL LEAVES OF ABSENCE POLICY

Eligibility

There are situations that arise that may not fall into any of the above leaves such as:

- Employee has already used FMLA leave in the prior 12 months for another claim
- Employee has not worked 1250 hours or a year to be FMLA eligible
- Employee ~~has exhausted~~ 12 weeks of FMLA or some other leave and still needs to be out of work
- Employee is on STD or LTD and not eligible for FMLA

In any of the above cases, the LOA carrier should still be contacted to make final determination on claim.

Reinstatement

Our Company Policy is that in the above situations where state, federal or Company leaves do not apply, we will make a reasonable accommodation to be able to provide a leave to the employee. However, business need and the manager's discretion will direct this decision and the amount of time off allowed. If the leave is approved, the employee will only have a job guaranteed. The employee will not be guaranteed the same equivalent position, pay, benefits and employment conditions of the current job.

With these situations, the manager should partner with the appropriate HR Representative to determine if accommodation is possible.

GENERAL CONDITIONS APPLYING TO ALL LEAVES

Employees should inform their supervisor of their need for a LOA. In addition, employees (or the employee's supervisor) should contact our LOA Carrier to determine if they are

eligible for a Federal or State leave of absence by following instructions found on the LOA Poster located in Shop Docs. Please note that our LOA carrier tracks and determines FMLA, State Medical/Family Leaves, Short and Long Term Disability, Military Leave and H&M's Parental Leave.

The employee is responsible for completing all LOA procedures (such as completing the certification paperwork, responding to "leave exhausted" letters, etc.) accurately and promptly. Please note that if the employee is unable or unwilling to do so (e.g., due to an emergency where the employee is not able to come to work), the manager should process the LOA request in the employee's absence.

Keep in mind if a workers comp claim will result in a time loss case, our LOA Carrier should be contacted for FMLA.

When an employee's need for leave is foreseeable (such as upon the birth or adoption of a child, or a planned medical procedure), the employee *should* provide at least 30 days notice of the anticipated leave by contacting our LOA Carrier.

More information regarding the LOA process can be found in SIP. In addition, you can contact the Benefits Department or your HR Representative for support.

GENERAL LEAVE OF ABSENCE INFORMATION

Employees while on leave status are not eligible for Holiday Pay.

An employee on any approved leave will continue to be eligible for group health insurance benefits under the same terms, conditions and required contributions as if he or she were still an active employee. The use of leave will not result in the loss of any employment benefits that accrued prior to the start of the leave.

Employees who are on an unpaid leave are required to pay for their portion of the premium contributions for the benefits they are enrolled in. If the employee fails to pay their portion of Insurance Premiums, their Benefits will end.

If an employee who is on any approved leave of absence at the end of the calendar year has accrued and unused vacation of more than 40 hours, he or she will be able to carry over the full amount to the next calendar year. However, all carryover vacation will need to be used by March 31st or will be lost unless state law dictates otherwise.

An employee who fails to report to work at the end of any approved leave will be deemed to have voluntarily resigned.

H&M's general policy is that any employee, who is unable to return to work after 6 months of leave will become inactive (terminated), have their Company benefits terminated and be offered COBRA.

EMPLOYEE FILES AND ACCESS POLICY

Although you may not be required by state law to allow employee's access to their file, it is simply good practice to allow your employees an opportunity to review their personnel files. Nothing should go into the file without the employee's awareness. For documentation forms, the employee should know what occurred or happened so that if he/she read it they would not be surprised. Our general Company policy is that we do not make copies of employee paperwork with the exception of annual performance reviews. Employees may also request copies of any corrective action forms (not documentations) that have been presented to them.

Many states have enacted laws giving current and past employees of private employers various rights regarding personnel files. Requirements to access personnel files are guided by state law. Please contact your District Manager or HR representative regarding specific state guidelines before making a decision.

All sensitive medical information (ADA, FMLA, STD, etc.) is kept separate in the Benefits Department. However, individuals who may have a need to know (such as an HR Representative) for a specific employee issue may be able to access the information depending on the situation. Please contact the Benefits Department if this applies.

DOCUMENT RETENTION AND DESTRUCTION POLICY

This policy covers all records and documents, regardless of physical form, and contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, ensure privacy, minimize the cost of record retention, and optimize the use of space and to ensure outdated records are properly destroyed.

Departments that maintain company records are responsible for establishing appropriate record retention management practices. Each Department must:

1. Implement the department's record management policies;
2. Ensure that employee practices are consistent with this policy;
3. Educate staff in understanding good record management practices;
4. Destroy inactive records that have no value upon passage of the applicable retention period;
5. Ensure that records are destroyed in a manner that is appropriate for the type of records information involved.

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against H&M and its employees and possible disciplinary action against responsible individuals. The Country CFO and Loss Prevention Manager will periodically review these procedures with legal counsel or the organization's certified public accountants to ensure that they are in compliance with new or revised regulations.

Further details regarding H&M's '**Document Retention and Destruction**' policy in its entirety can be found in the O:Drive. Further details regarding the retention and destruction of store based records (e.g., applications, time cards, credit card receipts) can be found in SIP.

Please note that once H&M is advised of a lawsuit it cannot destroy any documents relating to that lawsuit even if time to maintain the information has expired.

EMPLOYMENT VERIFICATION POLICY

Please forward all calls regarding past and/or current employee information (including salary, position, dates of employment, wages garnished, rehirable status, unemployment, worker's comp status, etc.) to the Payroll Department. Do not under any circumstances give employment information, including personal references, over the phone or in writing. If a manager should give wrong or incorrect information, he or she can be personally liable!

The Payroll Department is the only department that can verify any employment information including *worker's compensation and unemployment*.

If current employees need verification letters or an employment information form filled out, they must fill out the Authorization to Release Employment Information form (located on SIP), sign it and fax it to the Payroll Department before they will give out information.

UNEMPLOYMENT PROCEDURE POLICY

When employees resign or are terminated, they should be given the appropriate termination notice which contains our Federal account number and the Payroll Department address. This is so the terminated employee can give it to the unemployment office or have the information when filing a claim over the phone. This will potentially prevent the stores from receiving the claims.

Each biweekly payday a file that contains names, SSN, location, paycheck gross paid, date of pay and if applicable termination date and reason code for separation is sent to TALX, H&M's unemployment vendor. **Because of this, it is very important that only ONE termination code is used when processing terminations.** When this is not sent, they have to get in touch with H&M and thus delay a claim or a time for us to object to a claim.

Requests from government agencies requesting separation/termination information must be directed to TALX (not the payroll or HR department. All unemployment claims the Payroll Department or the stores receive are to be sent to TALX immediately upon receipt via fax at (800) 814-1707 or it may be scanned and emailed to s.festog@talx.com. If the store receives unemployment claim prior to sending the claim to the Payroll Department, fax it to TALX in order to get the claim processed quickly. Then contact the Payroll Department and inform them that it was faxed and on which specific date. The Payroll Department will then follow up with the store if we get a request for additional information from TALX. If you receive an Appeal Notice, please contact your Regional HR Generalist.

Request for a Telephone Interview/Hearing

If a claim is being contested, a representative from our organization who was at the termination firsthand should attend the call or hearing if possible. If they are not available (for whatever reason) then a witness who was at the termination and an HR Representative should be on the call.

If the manager needs assistance on preparing for the call, he or she can contact Stephanie Festog for hearing preparation at 866-848-4623 extension 3459.

WORKERS COMPENSATION INSURANCE POLICY

This benefit is for any work related injury or illness. The insurance provides medical and wage replacement benefits once an employee is out for a certain amount of days depending on the state. It is your responsibility as a manager to know the procedures for workers compensation as outlined below. The manager and H&M can be held liable if these steps are not followed.

What to do when an employee is injured:

- Make sure the associate receives proper medical attention.
- Management reports to the Insurance Carrier within **24 hours** of gaining knowledge of the work related injury/illness, **regardless if the employee sought medical attention** or not.
 1. Please refer to instructions that are available in ShopDocs for calling in a Workers Comp claim.
 2. For Ohio, contact BWC (Bureau of Workers' Compensation). First reports of injury should be called into 888-627-7586, Option 2 or faxed to 888-711-9284. In Ohio the account number is *01476322000*.
 3. For Washington State, call 1-800 547-8367 or www.lni.wa.gov.
 4. If the claim will result in a time loss case, contact FMLA Third Party Leave Administrator so the injured employee can receive the necessary leave paperwork. Workers compensation runs concurrently with FMLA.

General information

- **Always report the claim within 24 hours – even if the injury is minor!** If you do not report a claim, you can affect the employee's ability to receive benefits and can subject yourself to possible disciplinary action.
- **Always keep any Worker's Comp documentation in the Workers Comp Carrier section of the Security Binder** (the state of Ohio calls it the BWC folder).
- **Review the information on the first report of injury is accurate and complete. Forward a copy to the Benefits Department and keep the original in the Security Binder.**
- **Do not keep any workers comp information in the employee file.** Any additional information gathered may be sent to the Insurance Company at a later time. The employee should be advised that the Insurance Company's claim representative will contact them for a statement.
- The employee should not pay any medical bills, but instead submit them to the Insurance Company's claim office (after filing the claim). Refer to Worker's Comp posters for instructions on how to handle claims located in Shop Docs

If an employee dies at the workplace or 3 or more employees are hospitalized due to a workplace injury/illness, the incident must be reported to the Occupational Safety and Health Administration (OSHA) within eight (8) hours!
The incident should be called into 1-800-321-OSHA.

HEALTH, SAFETY AND SECURITY POLICIES

BREASTFEEDING POLICY

H&M complies with state laws regarding nursing mothers and access to breastfeeding space. H&M has established the following:

- Customers who wish to breastfeed, or wishes to express milk for the purposes of breastfeeding, must be allowed to do so. If they prefer, direct them to a sanitary, safe, and private environment. For most of stores this will be an unoccupied fitting room. It should not be a bathroom stall. If they choose to remain on the sales floor, offer them a chair. As with any customer, they should be provided with excellent customer service.
- For employees who wish to express milk, the above also applies. Aside from a fitting room, another designated area could be utilized, again provided that it's sanitary, safe, and private. H&M will comply with all state laws concerning if, and for how long, the employer is required to provide additional breaks. Contact your District Manager or Regional HR if you have any questions.

DRUG AND ALCOHOL POLICY

Any H&M employee who is convicted of an activity involving an illegal drug either on or off Company premises is in violation of this policy. Any employee who is convicted under a criminal drug statute must notify the appropriate District LP manager.

In deciding what disciplinary action to take, H&M may take into consideration:

- The nature of the offense charged.
- The safety requirements of the employee's present job assignment.
- The employee's record with H&M.
- The employee's statement of facts.
- The disposition of the charge.
- The impact of the offense on H&M and other relevant factors.

H&M may take disciplinary action before and/or after final disposition of the charges. We have a Zero Tolerance Policy for drugs. For the health and safety of every employee, the use, possession, transfer, sale, purchase, manufacture, distribution, dispensing, solicitation or being under the influence of an illegal or unauthorized drug while on H&M premises or while performing duties on behalf of H&M off-site is strictly prohibited.

Further, employees shall not possess alcoholic beverages in the workplace or consume alcoholic beverages in association with the workplace or during work time. If we are to continue to fulfill our responsibility to provide reliable and safe service to our customers and a safe work environment for our employees, employees must be physically and mentally fit to perform their duties safely and efficiently. For all employees, any alcohol consumption, including candy liquors, is prohibited during the workday, including rest periods and meal periods.

If an employee needs assistance with drug or alcohol dependency, please refer the employee to the EAP number. H&M reserves the right to send an employee home if he or she smells like alcohol or appears under the influence and not be able to do his/her job.

INTERNAL THEFT POLICY

Employee Bag Check

All employees, regardless of position or assignment, that have entered a store carrying a bag, purse, briefcase, backpack, etc, will have that bag visually searched by a member of management (or Security Officer where applicable) prior to exiting the store. The only exception is when an employee is **only** shopping on the sales floor. If an employee goes into an 'employees only' area (breakroom, manager's office, etc.) then they must be inspected before exiting the work location.

It is very important that all staff understand that when they leave the store, if a manager or security officer is not at the door, they need to seek out a manager and have their bag inspected.

Locker Inspection

H&M provides employees with a locker and padlock. Employees are required to lock their valuables in this locker while at work. Personal belongings (aside from outerware hanging in a designated area) are not allowed to be stored outside an employee's locker.

H&M will conduct random locker inspections to insure that no contraband or prohibited items are being stored. These inspections are required to be done monthly with two members of management and all lockers need to be inspected. Any finding of contraband or prohibited items is to be reported immediately to your District LP Manager.

Employee Hotline

The company has a toll free number to report serious violations of any company policy or theft related issues.

Employees are encouraged to report serious matters directly to their manager. Managers must keep the identity of the employee confidential to the extent possible.

The number is 866-HM STAFF (866-467-8233)

Garment Holds

Employees are permitted to hold garment for 24 hours, the same as customers. The garments are to be marked with the employees name on the hold tag and must be signed off by a manager. Stashing or holding of garments to purchase later in any other location is prohibited.

General Guidelines

It is extremely important to remember that if you have suspicions of employee misconduct that you immediately contact your District LP or HR manager before taking any action on your own.

STAFF PURCHASE POLICY

Upon presentation of the H&M staff card and a valid form of picture identification, employees are eligible for the 25% discount from the 1st day of employment. This discount can be utilized for the employee's spouse and dependents (as the IRS defines dependents) in the presence of the employee and with identification. This does not apply to employee's mother, father, legal guardian, or sibling(s).

If a new employee has not been issued a staff card, the store may use the general store staff discount card for the discount. Verification of employment status must be confirmed.

The employee discount applies to purchases for the employee's own use as well as gifts. Employee purchases for non-eligible family and friends are not permitted. The discount will apply on all merchandise with the exception of sample sales and damaged merchandise. The employee discount does not apply to the purchase of gift certificates. Employees are not eligible for promotional gift cards.

Employees shall be eligible to utilize marketing and catalog coupons or receive their normal 25% employee discount. If the coupon or promotion discount is greater than the employee discount, the coupon amount will be used and the 25% does not apply. Some promotions or campaigns may not apply for employee discounts. The Company may also ask that employees make purchases in their designated home store for specific promotions.

Employees must return merchandise within 30 days of purchase with the original receipt. Without a receipt, employees may only make an even exchange which means equal value of merchandise purchased at the time. Employees will not be issued gift cards or merchandise credit as tender for a return.

Employees are allowed to use their discount during any leave of absence for 12 weeks or less. After 12 weeks of absence, the discount card cannot be used until the employee returns to work (the exception is an H&M approved Parental Leave).

Register routines for staff purchases

- Employees are required to identify themselves when they make any register transaction regardless of the store location and even if no discount is applicable.
- Only managers can process staff purchases, returns and/or exchanges. Store Managers must have their employee transactions processed by another manager.
- Managers must verify employment status of employees making purchases, returns and/or exchanges without a staff card by contacting the management of the employee's home store or the Payroll Department.
- Employees must never price or process a sale for themselves, a friend or relative.
- During work hours, purchased goods must be kept in the employee's locker or the designated employee area.
- An employee must be able to produce a valid receipt for purchased items when requested by a manager or LP staff.
- Employee holds may not exceed what is allowed for customers and must be signed by a manager. Employees may not place merchandise in unauthorized areas as holds.
- Employees are not permitted to wear unpaid garments during their shifts nor remove unpaid garments from the store.
- Employees should not use their pay stub as a proof of employment when trying to use the H&M staff discount due to confidentiality purposes. Instead, the manager ringing the

purchase should ask for valid picture id and call the home store of the employee to verify employment.

Violation of this policy may result in disciplinary action up to and including termination.

EXTERNAL THEFT POLICY

Garment Alarms

All stores are equipped with garment alarm systems that will watch the garment for you. The antenna at the front of the store will alarm if a tag is not removed.

Placement of the tags on a garment is to be done in the same location on the garment each time. Tagging guidelines and charts for you to reference can be found in the store.

All systems are to be tested on daily basis before opening by simply walking through the antennas with a tagged garment. If the system does not alarm, check to make sure there is electrical power and that it is turned on. Call for service if the electrical power is not the problem.

If the system is false alarming, before calling for service, take the following steps:

- Check for tags on the floor near the pedestals. It could be a soft, stick-on type.
- Move all fixtures that have tagged garments at least 4 feet away from the system.
- Turn the system off for at least 2 minutes and then turn it back on. It is a computer and this may re-set the system.

If it is still false alarming after checking the above, turn it off and call for service.

All cash registers are equipped with a detacher to remove the tags, a pad that beeps to alert you that a tag is present and an automatic soft tag deactivator.

We currently have detachers that can be locked two different ways, with a key or electronically. All key operated detachers must be turned off when the register is not in use. The keys to these units are to be kept locked in the safe.

The electronic detachers can be programmed to automatically turn off after 15 minute of inactivity and can only be opened with a code. Instructions for programming are in ShopDocs.

Garment Alarm Activation – Customer Service

In an effort to protect our merchandise, each store is equipped with an electronic article surveillance system (EAS). Selected merchandise has the plastic tag attached. The system is activated when the tag passes over the upright antennas or through ones that are buried in the floor at the front of the store or through the upright pedestals in the doorway.

It is extremely important that everyone understand the correct process in dealing with customers during alarm activation.

REASONS FOR ACTIVATION

There are five basic reasons why the alarm sounds:

- Cashier failed to remove the tag from a purchased garment
- Tagged display garment is too close to antenna
- Customer enters with tags from other retail companies
- System malfunction
- Theft of garment with tag

PROCEDURE FOR ACTIVATIONS

Any associate has the ability to assist a customer when the alarm activates. When the alarms sounds the following procedure needs to be used each and every time:

- The closest associate to the door should approach the customer. Apologize and offer to remove the sensor.
- Please request the item along with the receipt. Should the customer ask the need for the receipt advise them you need to identify the cashier who made the mistake.
- After the customer has handed you the receipt and the purchase, walk the bag through the system and then have the customer walk through the system without the bag. The reason is to insure where the activation is coming from. It is possible the customer has on garments or has made a purchase from another retailer who failed to remove or deactivate a tag.
- After you identify the H&M bag as the source of the alarm, take the purchase to the nearest register. Advise the customer that it is not necessary for them to leave the front of the store. You will return the purchase to them.
- At the register, check all garments in the bag. There maybe more than one tag left on garments.
- Compare the garments against the receipt. If there are no discrepancies, return the purchase to the customer and again apologize for the inconvenience

EXCEPTIONS

In the event that the customers' purchase does not set off the alarm but the customer does, you may ask the customer the following question: **"Are you wearing or carrying a recent purchase from another store or know of any reason why our alarm activated?"** If the customer indicates a recent purchase, advise them it would be in their best interest to locate the tag as they might activate alarms in other stores as well. This rule also applies for customers who are not carrying any bags or who activate the alarm coming into to the store.

When checking the purchases against the receipt, should you find items in the bag that is not on the receipt, immediately contact a member of management for further instructions.

If a customer responds to you by removing a garment concealed on the person or in pocketbook or admits to you that they did in fact take merchandise, take no further action and immediately request assistance from another manager or LP.

IMPORTANT ITEMS

Do not search or ask to search any customers' person or personal belongings. If a customer voluntarily opens their bags or clothing, you may view the contents. Do not place your hands in any bags and you are not allowed to place your hands on anyone.

Make every effort to be apologetic and if you need to have further discussions with a customer, move away from the doorway to a less conspicuous area. If you need to go off the sales floor, explain to the customer that you wish to make this a private matter and ask if they would accompany off the floor. If they decline, do not force this issue.

Should the store experience an unusual number of false alarms, please check the area around the doorway for tag that may have fallen under displays, fixtures of tagged garments that may be too close to the door or for the small stick on tags used by other retailers that may have fallen off packages. By doing this you may save the company embarrassment with customers or unnecessary,

CCTV (Closed Circuit TV)

In some stores camera systems will be installed and used by the in-house and contract store detectives. The system is used to monitor for potential loss activity. They are not to be used as a way to monitor employee productivity.

Contract Security Officers

Based on need, we will use contract security officers to monitor the front doors and employee entrances. The primary focus of the guards is to be a deterrent for grab and runs at the front door or to assist with garment alarm activations or bag checks and employee ID verifications.

Contract/In-House Store Detectives

Again based on need, we will use detectives from an agency to assist in the apprehension of shoplifters. We also have a limited staff of detectives who are employees of H&M.

In-house detectives, with permission of the District LP Manager, assist you with internal investigations. Under no circumstances are contract detectives permitted to work on internal cases without approval from the Country LP Manager.

SHOPLIFTING POLICY

Shoplifters do not want to be seen or recognized. Utilize the 5 Basic Demands to provide excellent customer service to all our shoppers, as well as put potential shoplifters on notice

Basic Shoplifting Techniques

Distraction

A disturbance will be created by one or more individuals. This could range from an argument, medical problem, a knocked over fixture or anything that will take your focus away from the floor.

When such things occur, take a look around for suspicious behavior from those not involved in the disturbance.

Customer Service Reversal

A group of shoplifters will enter your store and not always together. They will make every effort to get you and all of your sales persons occupied with them, really wanting customer service. The purpose is to keep everyone busy while another member of the group takes the merchandise.

Movement of Garments

Group of shoplifters will move quantities of garments from one department to other area of the store where they have a better chance of concealing the goods undetected.

They will usually move two garments at a time as to not draw attention with large quantities of the same garments being carried.

Many times they will re-merchandise the fixture with garments that do not belong so that you do not see a large, empty fixture.

Apprehension of Shoplifters

ONLY MANAGERS ARE PERMITTED TO APPREHEND SHOPLIFTERS!

The rules for apprehension are the same for you as they are for the store detectives. These rules are designed to prevent illegal or improper detentions which result in litigation against you and the company.

The rules are called the "5 Steps of Proof" and they are:

1. Observe the person enter the store, department or floor without any garments.
2. Observe the person select an H&M garment from a fixture or display
3. Observe the person conceal the merchandise on the person or in a bag.
4. Never lose sight of the person once concealment has occurred.
5. Person has walked past the last possible point of purchase.

All of these steps must be present before you may apprehend a person for shoplifting. If even one step is missing, you do not detain the person.

We encourage all staff members to help identify shoplifters but they are not permitted to make detentions on their own. However, they must also follow the same steps of proof. They are also required to notify the manager if they observe concealment.

Managers need to make sure that the earlier steps of proof have occurred and that the associate has not lost sight of the person at any time. Associates should be instructed to use the Store Code (store #) to alert you they observed a shoplifter.

How Do I Detain Them?

All detentions of shoplifters are done verbally. You should never place your hands on anyone. Detentions are always done with two people. It does not have to be two managers. One manager and one sales/stock associate is acceptable.

The person should be detained before they exit the store. Do not stop people in the common area of the mall or on the street.

Here is what you say:

"My name is _____ and I am the manager of this store. I would like to speak to you about the (describe item) that you have in your (give location)."

If you have followed the steps of proof you know what it is, where it is and that they did not discard it. Most, if not all, shoplifters will realize they are caught and will cooperate. However, if the person resists or runs, let them go. **DO NOT RISK YOUR PERSONAL SAFETY FOR MONEY OR MERCHANDISE!**

Obtain a good description of the person and notify mall security or the police.

Recovery Statements

There may be times where you have a strong belief that a shoplifting occurred but you do not have the 5 steps of proof. There are statements you can make to potential shoplifters without getting into a liability situation. These are called recovery statements.

Examples:

You know that blue blouse you were looking at? I have a great pair of slacks that would go with it.

Did you find that pair of green pants to be the correct size?

You have identified the article that may have been concealed but not accused them of stealing. Many times, the shoplifter will remove the item, drop it on the floor and leave. Other times they will stop taking additional items and leave.

Potential Liability Incident

In the event you detain a customer and they have no merchandise, you have made what is referred to as a "bad stop".

Once you realize you have made a mistake, immediately apologize to the customer. Tell them you are sorry and that you made a mistake.

Do not offer them any type of compensation or promise them anything get the customers name, address and phone number and tell them that someone will be contacting them.

If they wish to have a name and a phone number, give them the name and number of your District LP Manager or the number to the Support Office to contact the Country LP Manager.

You must report all bad stops immediately to your District Manager and LP Manager.

Prosecution of Shoplifters

H&M encourages the prosecution of all shoplifters. However, based on individual circumstances, that is not always possible or practical.

The decision to prosecute will rest with the manager making the apprehension and be based on the circumstances known at the time.

There are forms available that should be kept in Security Office or Managers Office. These are:

Apprehension Report
Trespass Notice
Civil Recovery Notice

The Apprehension Report and Trespass Notice are self explanatory as far as filling data and these need to be filled out for every apprehension whether you prosecute or not.

These forms should be sent to your LP Manager upon completion.

The Civil Recovery Notice only requires you to hand the document to the shoplifter.

Juvenile Apprehensions

If you apprehend someone 17 years of age or younger (except NY state), they are juveniles under the law.

You may only release them to the following

1. Parent or Legal Guardian
2. Responsible Family Member
3. Police Officer

If you cannot contact parent, legal guardian or family member, turn them over to the police. If the police tell you to release them, obtain a name and badge number.

Under the law, if you detain a juvenile, you become responsible for them and if you were to release them and they were hurt, we could be sued.

ROBBERY POLICY

Unfortunately, we are in a business that takes cash. When that happens, it makes us the potential target for robbery. We take many of the best precautions we can to make ourselves less of a target but it can still happen.

The most important thing to understand is what to do should it happen.

Here are the actions that should be followed:

- Try not to panic; remain as calm as possible
- Do not attempt to attract attention to the incident
- Listen to the persons' instructions
- Follow the instructions as quickly and as quietly as possible
- Always believe they have a weapon whether you see it or not

To open the register:

Perform a cash transaction using Order Number 12345 and the amount of \$1.00

After you have given them the money, wait for them to leave the store before contacting 911. Wait for the arrival of the police.

Do not discuss the amount of money missing. If contacted by a member of the press, refer them to the Public Relations (PR) Department in the Support Office.

Other Areas of Importance

There are multiple areas of concern that affect shrinkage or loss. Here are some issues to be alert to as a manager.

Banking

- All deposits and safe counts must be double counted
- All deposits must be immediately sealed after verification, logged in armored car service book and locked in the safe

Trilogy Locks

- Codes should be changed at least once a month or immediately if you believe it has been compromised.
- Codes should only be given to people who are authorized to access the Admin Office.

Key Control

- All Managers are issued a master key for the store
- Keys ~~must be~~ signed for upon receipt. Key Log is kept in the safe
- Keys are not to be loaned.
- If there is a temporary need for a key, it must be signed out from the safe.

Alarm Codes

- Every manager must have their own burglar alarm code.
- Sharing of codes is not permitted. (Emergency exceptions allowed).
- To obtain codes for new members of management or covering managers, it is the responsibility of the store where the manager will be assigned to send in the Alarm Code change Form at least 3 days in advance to Loss Prevention
- It is also the responsibility of the manager receiving the code to call LP to obtain the code.
- You can contact your LP Manager to obtain a code after normal business hours

Open/Close Store

Open

- You should not enter the store alone. If there is no other way, please call your District LP Manager as soon as you enter the store.
- In the event your staff has not showed up within 15 minutes of the schedule time, you may enter the store but only after contacting your District LP Manager.
- You will be required to call them every 15 minutes or until your second person arrives.

Close

- You should never close the store alone.
- It is best to close with at least two to three people leaving at the same time.

- All fitting rooms and bathrooms need to be checked for lingering customers.
- The alarm must be set and all doors properly locked and secured.
- Always double check that you have locked the doors by pulling on them prior to leaving.

SAFETY POLICY

The following sections are to be used to help train all new members of management in basic loss prevention and security measures along with related policies and procedures. Most, if not all, information contained in this document exists in detail in approved policy and procedure manuals distributed by the company.

In the event there are questions regarding the content please contact the appropriate District LP manager.

EVACUATION

There can be several reasons for the need to evacuate the store-fire, bomb threat, or power outage-and the key thing to remember is that if you feel that the safety of your staff or customers is threatened you must be prepared to evacuate the store.

FIRE

H&M takes fire prevention and fire safety very seriously. All stores are equipped with sprinklers and fire extinguishers. In some cases, based on fire code requirements, there are also smoke detectors.

- Do you know how to safely exit your store?
- What tells you where the emergency exit is?
- Where is your meeting point? Why do we go to one spot? (So that everyone can be accounted for)
- Have you ever used a fire extinguisher?

It is quite simple to use:

P Pull the pin

A Aim the nozzle

S Squeeze the handles

S Sweep across the base of the fire

In the event there is a fire, here are the following steps that need to be taken:

1. Call 911
2. Go the nearest extinguisher and using PASS, attempt to extinguish the fire.
3. If successful, wait for the Fire Department to arrive.

4. If unsuccessful with extinguishing the fire with one extinguisher, evacuate the store.
5. Make sure that all fitting rooms, offices, break room and restrooms have been checked for staff and customers.
6. Go to meeting point and account for all employees.
7. Wait for instructions from the Fire Department. Do not re-enter the store until you have been given clearance by the fire or public safety personnel.
8. Notify your District Manager and Loss Prevention manager after you have evacuated.

It is okay to allow customers who are in the fitting room to wear our clothes out until clearance to return is given.

It is extremely important that all marked fire exits are kept clear of totes, fixtures, racks, or anything that can block the exit from the stores.

Bomb Threat

In the event of a bomb threat, the decision to evacuate depends on the type of the threat that is received.

- o **Scenario One**-If the caller simply calls up and says there is a bomb in the store and hangs up, it is not always necessary to evacuate. Notify all staff to stop using the walkie-talkies. (Radio signal could trigger a device). Conduct a search of the store to look for any suspicious packages or items that do not belong. If you find such an item, immediately evacuate the store and notify the police and mall security (if applicable).
- o **Scenario Two**-If the caller states that there is a bomb and gives specifics such as a time, location in the store, etc, notify all staff to stop using the walkie-talkies and evacuate the store. Notify the police and mall security (if applicable). After the police arrive, they will be requesting you to search your store. The reason they do that is they have no idea what does or does not belong in your store. If you find suspicious packages or items, that is when the Bomb Squad and related support is called in.

There is a form called the Bomb Threat Checklist in your Admin PC. This form should be posted inside the cabinet at each cash point area and in 222. The reason for the form is to help identify the caller by filling in the form with as much information as is remembered.

The reason the form is also kept at the cash point is that if there is no one in 222, the phone calls roll out to the cash points so it is very likely a cashier may receive the threat.

Power Outage

In the event your store loses power, you need to evacuate the store of customers and staff. All stores are equipped with emergency lighting that will provide you with sufficient light to exit the building. It will last about 30 minutes. They are not intended to be work lights.

We have two different types of emergency lights:

- o Wall Mount (two spotlights)
- o Ceiling Mount (looks like regular light)

These should be tested monthly. The test is simple. There is usually a red test button that should be depressed. When depressed, the light will come on. If the lights do not come on, contact you're the appropriate Facilities manager to have an electrician inspect.

In the case of a power outage evacuation, you will have time to secure the tills in the safe prior to exiting the store. Do not attempt this in the event of a fire.

CODE OF CONDUCT POLICIES

GLOBAL H&M CODE OF ETHICS POLICY

INTRODUCTION

H & M Hennes & Mauritz AB and all the companies in the Group (hereafter referred to as H&M or the Company) value the fact that all the operations of the Company are characterised by honesty, integrity and fair play. It is therefore vital that we all ensure that no dishonesty, disloyalty or corruption harm H&M's good reputation.

H&M's Code of Ethics contains guidelines on how we, as H&M employees, are expected to act in various situations when we represent the Company in a business context. H&M has a zero tolerance policy on bribery and corruption, and this applies to all the Company's business dealings and transactions in all the countries in which the Company or its subsidiaries and business partners operate.

As an employee of H&M, you must not accept bribes in any circumstances. In addition, you must not offer bribes on behalf of the Company to any person, whether privately employed or in the public sector, or any organisation. The laws of each country regulate what is regarded as a bribe

ADVANTAGES

Requesting or receiving any kind of advantage from suppliers, contractors or any other person/organisation in connection with H&M's business is a violation of H&M's Code of Ethics..

If you, as an employee, request or accept an advantage in connection with your work/assignment without your employer's consent, you will violate the Company's Code of Ethics. The same applies to anyone who offers such advantage.

The term 'advantage' may include – but is not limited to – the following: gifts, loans, money (in any currency), fees, remuneration, travel, services, bonuses, all kinds of gift vouchers, product samples for personal use, contracts of employment, discounts on private purchases and other advantages such as sponsorship and event tickets. Instead of gifts, H&M recommends that its business partners make contributions to charity.

LOANS/GAMBLING

You and your immediate family (wife/husband/partner/children living at home) should not give, guarantee or accept loans from any person or organisation with which you have business contacts through your work at H&M.

Neither is it appropriate to gamble, and thereby risk getting into debt, with persons with which you have business contacts through your work at H&M.

CORPORATE ENTERTAINMENT AND OTHER EVENTS

You should not accept invitations for business dinners or other corporate events that are too exclusive or occur too often. If you accept an invitation it must be understood that you will either have opportunity to pay your share or return the hospitality on another occasion. You must have the approval of your manager before accepting any kind of business invitation. Remember that all entertainment must take place during the working week, and not at weekends or during other holidays. You must not use or be under the influence of illegal drugs or alcohol during working hours.

THE COMPANY'S DOCUMENTS AND ACCOUNTS

Falsifying documents or submitting inaccurate accounts is a crime.

THE COMPANY'S ASSETS AND PROPERTY

H&M owns the copyright to all materials created by employees on behalf of the Company. The term 'materials' includes – but is not limited to – the following: patterns, sketches, art work, constructions, prototypes and/or other types of finished products, designs and product samples resulting from what the employee has created on behalf of the Company.

As an employee, you are not permitted to use or sell assets or property belonging to H&M for your own use and compensation except with permission.

CONFIDENTIAL INFORMATION

Employees and/or business partners of H&M must never disclose confidential company information to any person outside or within the Company. You must only use confidential information that is naturally associated with your duties at work.

Confidential information includes, but is not limited to; H&M's financial and commercial relationships, buying, offers, strategies, supplier information, information on suppliers' capacity, IT solutions, analyses and sensitive personnel data, information concerning H&M and/or the business carried on within H&M and which is not generally known outside the Company; in other words, has not been published or otherwise communicated by or through H&M.

The employee shall maintain secrecy even after leaving the Company

CONFLICTS OF INTEREST

Conflicts of interest may arise if your personal interests compete or conflict with the interests of the Company you are employed by. You should avoid any actual or imaginable situations that could damage your integrity and/or risk putting H&M's interests and/or reputation at stake.

You must always inform the Company if you have anything other than a strictly business relationship with someone that you do business with through your work at H&M. You must not carry on business on behalf of the Company with relatives and/or other persons that you have a close personal relationship with.

You must always inform the company if you or your immediate family (wife/husband/partner/children living at home) have any financial interests that you are aware may compete with H&M's interests or with the interests of those with whom you do business through your work at H&M.

You must never mix your personal affairs with the business you do on behalf of H&M and you must not use H&M's name in your private affairs.

EMPLOYMENT OUTSIDE THE COMPANY

While you are employed by H&M you must not take up employment outside the Company that could conflict with the Company's interests. If you want to take up competing employment and still keep working for H&M, either in a traditional position or as a consultant, you must have the Company's written permission before accepting the position.

COMPLIANCE

It is your responsibility to make sure that you understand the content of H&M's Code of Ethics and that you observe these guidelines in your daily work.

In signing the last page of this document you are confirming that you have been informed about H&M's Code of Ethics and that you have read and understood the content of the Code.

QUESTIONS

If you have any questions, are unsure about anything related to H&M's Code of Ethics or if you have noticed anything in the company that violate the Code of Ethics, please contact your Immediate manager, HR manager or send an email to the Global Security manager.

E-mail: CoE@hm.com

Since most sections of H&M's Code of Ethics follow the law in each country where the Company operates, any deliberate violation of these guidelines may be a criminal act. A criminal act under the law as stated in the Code of Ethics may result in a warning and, in certain cases, in the ending of your employment with the Company.

For your information, all the Company's suppliers/business partner's sign up to H&M's Code of Ethics and thereby undertake to follow the Code's guidelines.

The Company's Code of Ethics is reviewed and updated regularly.

ADA/ADAAA REQUIREMENT POLICY

The Americans with Disabilities Act (ADA) and ADA Amendments Act (ADAAA) are two important laws for managers to consider before hiring an applicant as well as after the applicant becomes an employee. Under these Acts employers are prohibited from discriminating against qualified applicants or employees with disabilities. Applicants and employees with disabilities are protected under ADA/ ADAAA if their physical or mental impairments substantially limit one or more of their major life activities (for example, walking or seeing); they have a history of such impairments; or they are regarded as having such impairments.

Although already mentioned in the hiring section, every applicant has the right to ask for and receive an accommodation in order to complete the interview process even if the interviewer thinks that the applicant will not be able to perform the essential functions of the job. Hiring managers should ask every applicant if they can perform the essential functions of the job for which they have applied. Furthermore, all applicants should be shown a job description identifying the essential functions of the position.

If an applicant has a visible disability, the recruiter must focus on the essential job functions and how the applicant can perform the duties. In every situation, that may possibly involve a disability, recruiters should call HR before telling the applicant if H&M can accommodate their needs.

Applicants sometimes voluntarily disclose disability-related information during the interview process. Recruiters should tell applicant's that the employer considers the ability to complete the job duties and ask the applicant whether they can perform the essential functions of the job as stated in the job description. If the potential employee indicates that they cannot do the job, the employer needs to ask what reasonable accommodation is needed. After the interview, please contact HR so that H&M can decide whether the applicant is disabled within the meaning of the law and, if so, whether an accommodation is feasible.

Once an employee is hired, an employer may make inquiries about disabilities if the inquiries are job-related and justified by business necessity. However, when it comes to performance issues, employers must focus on the performance or behavior without speculating about the underlying cause. Stay away from words like counseling, depression, personal problems, etc. In referring employees to EAP, supervisors should remind employees that the program exists and explain that it can help employees solve workplace (as opposed to personal) problems. Discussions with employees regarding reasonable accommodations, disabilities EAP, or similar subjects should be documented.

Simple rule - Partner with the appropriate HR representative immediately when faced with an ADA or ADAAA qualifying situation. Before making any accommodation, the manager must talk to District Manager and Regional HR Generalist.

DISCRIMINATION/HARASSMENT AND AGGRESSIVE BEHAVIOR GUIDELINES

- H&M is committed to a work environment where each individual has the right to work in a professional atmosphere where discrimination, harassment, retaliation, and aggressive behavior are not tolerated. **Discrimination/Harassment is against federal, state and municipal laws.**
- H&M expects all employees to treat others equally regardless of race, ethnicity, color, sex, religion, national origin, age, mental or physical disability, veteran status, sexual orientation/affectation/identification, transgender status, medical condition, or marital status. When you are making decisions as a manager, they must be based on job-related factors. Also, watch for opinions and judgments made in the workplace based on these protected categories.
- Forms of discrimination, harassment and aggression may include:
 - ❖ Unwelcome comments or jokes
 - ❖ Unnecessary or offensive touching
 - ❖ Offensive posters or cartoons/graffiti
 - ❖ Judging a group of people on the basis of a characteristic
 - ❖ Threatening someone using actions or words
- If you or another employee's conduct could be offensive to another, regardless of how innocent it may seem to you, then that conduct is not appropriate.
- Managers must take reports of harassment and discrimination seriously and immediately report complaints to the Store Manager, District Manager, or Regional HR so the complaint can be promptly investigated and appropriately addressed. The Support Office HR Department may also be contacted at 212-564-9922.
- H&M's ~~policy is to conduct~~ a confidential, thorough, objective and complete investigation of any reported incidents of harassment, discrimination or aggression. At the conclusion of its investigation, H&M will attempt to determine whether any violation of its discrimination or harassment policy has occurred. H&M will look at the totality of circumstances, including the witness statements, nature of the conduct, the context in which it occurred and any prior policy violations. H&M will, as promptly as possible, take necessary steps based on the findings.
- If it is determined that a violation has occurred, H&M will take immediate and appropriate corrective action commensurate with the severity of the offense. This may include disciplinary action against the harasser up to and including termination. Steps will be taken, as necessary, to prevent any further discrimination or harassment including additional training, corrective action, demotion or transfer.
- No individual will suffer any reprisals or retaliation for reporting in good faith any incidents of harassment, discrimination, aggression or perceived harassment, for making any complaints of discrimination or harassment or for participating in any investigation of incidents of discrimination, harassment or perceived harassment. Please note that retaliation is not limited to adverse employment decisions but can be anything that would dissuade a reasonable worker from making or supporting a charge of discrimination which could include any change in work circumstance (e.g., changing the complaining employee's schedule/assignment/location in order to separate involved parties). You need to be aware and partner with your District Manager/HR representative before making these decisions.
- Managers should attempt to correct or prevent any discriminating or harassing behavior before a complaint is even reported. Intervention is the key. If a manager has knowledge of an issue, the manager must report it.

- If an employee is aware that another employee is violating a company policy, it is their responsibility to report it to a manager or they could also be held accountable for withholding information (i.e. theft, safety issues, drugs, harassment, etc.)

WORKPLACE BULLYING POLICY

Workplace bullies exhibit a variety of behaviors that fall under "low-level violence." Workplace bullying is commonly thought of as workplace harassment, emotional abuse and targeted aggression. Bullying follows a pattern of behavior and is not an isolated incident. Examples of bullying behaviors are:

- Yelling at or ridiculing a co-worker or subordinate publicly for disagreeing with them while exhibiting stony silence in private.
- Undermining an individual or group with vindictive or humiliating words or acts.
- Stalking and other forms of intimidation.
- An implied threat of physical attack.

Any form of workplace bullying is unacceptable.

FRATERNIZATION POLICY

No employee will be allowed to date or become sexually involved with another employee or live with an employee that he or she supervises, reports to or may have the opportunity to influence the ~~terms and conditions~~ of employment for that associate in his or her particular work location. Employees are required to immediately disclose relationships to their manager, or HR representative so that we can take steps to resolve the situation.

H&M does not forbid dating on the same level. We are not here to decide who an employee falls in love with or becomes friends with but we are here to protect the manager and Company from liability. Employees dating other employees on the same level may be moved to another location. It is considered unprofessional if the conduct arising from a friendship, romantic or otherwise intimate relationship between same level employees in the same work location creates an uncomfortable work environment or has an adverse impact on others. This includes, but is not limited to:

- favoritism
- open displays of affection
- making business decisions based on emotions or friendships rather than on the best interest of the Company.

If the Company believes that such personal relationships directly or indirectly affect its business, the Company will resolve the situation as it deems necessary, including, but not limited to, transfer and/or termination of employment.

EEOC GUIDELINE POLICY

Zero Tolerance for Harassment by Supervisors

The following EEOC (Equal Employment Opportunity Commission) Guidelines makes it very clear that the EEOC and the courts will not tolerate harassment of any type by managers. This is why managers need to realize that their actions and decisions are so important both in the workplace and with employees outside the workplace. Managers need to behave professional at all times and remember that:

- An employer is always responsible for harassment by a manager, unless the employer proves that:
 - ❖ it exercised reasonable care to prevent and promptly correct any harassment, or
 - ❖ the employee unreasonably failed to complain to management or to avoid harm otherwise.
- An employer is always responsible for harassment by a manager that culminated in a tangible employment action.
- A tangible employment action means a significant negative change in the employee's status.

Examples include firing, demotion, undesirable reassignment, a decision causing a significant change in benefit, compensation decisions and work assignment.
- An individual qualifies as a manager if the individual has the authority to recommend tangible employment decisions affecting the employee or if the individual has the authority to direct the employee's daily work activities, complete performance reviews and give corrective actions. Managers must take an employee's report of harassment seriously and immediately report complaints of harassment to District Manager/Direct Supervisor and Human Resources, so the complaint can be promptly investigated and appropriately addressed. Even if the employee tells you he or she wants it kept confidential, it is still your responsibility to report it to District Manager/Direct Supervisor and Human Resources. Managers must correct harassment that is clearly unwelcome regardless of whether a complaint is filed. For example, if there is inappropriate language used in the break room, managers should not wait for a complaint before correcting the behavior.
- Managers must keep records of harassment complaints and check those records when a complaint of harassment is made to reveal any patterns of harassment by the same individuals.

Managers will attend a **Supervisory Workshop** that will go into more detail on discrimination and sexual harassment.

COMPLAINT PROCEDURE

Harassment, discrimination and/or violence of any type will not be tolerated. Any employee who believes that he or she has been the subject of discrimination, violence, sexual harassment or other harassment, or who has witnessed or learned about harassment of another individual, should immediately report such actions or circumstances to his/her manager, District Manager or any member of the District team, Regional HR Generalist or Support Office Human Resources staff. The Company encourages the prompt reporting of all incidents, regardless of who the offender may be, or the offender's relationship to the Company. This procedure should also be followed if the employee believes that a non-employee with whom the employee is required or expected to work has engaged in the prohibited conduct. Supervisors and managers who receive complaints or who observe

harassing conduct should immediately inform a Human Resources representative or Human Resources in the Support Office so that an investigation may be initiated.

All complaints will be impartially investigated and kept confidential to the extent possible. Such investigations may include interviews with the complaining employee, the subject or subjects of the complaint, and co-workers and former employees who may have knowledge of the situation. Documents, files, and other tangible evidence may also be reviewed as appropriate. Every reasonable effort will be made to rationally, objectively and promptly resolve all complaints.

Any employee who observes or witness's behavior that violates H&M's Non-Discrimination or Harassment policy is obligated to bring forward this information to their manager so that immediate action can be taken.

OPEN DOOR POLICY

We encourage you to freely express any concerns you may have about your employment and to offer constructive suggestions or ideas for improving the business.

If you have a concern about something affecting your career or a suggestion for improvement of the Company, your 1st step is, normally, to discuss the matter with your manager. If your manager is unable to provide a satisfactory response, or if you feel you cannot realistically discuss it with your manager (such as, for example, if you believe you have been discriminated against or if you believe there has been a violation of our policy against sexual harassment), you should direct the matter to the Store Manager, District Manager or your immediate manager. If this is not an option, then you can go to a Human Resources Representative, the Human Resources Department in the Support Office or the Country Manager. Although you are encouraged to follow the steps outlined here, you can contact any of these resources at any point in time.

COMPUTER, E-MAIL, AND INTERNET USE POLICY

Professional Conduct

- Hardware and software furnished to employees are Company property intended for business use only.
- All data that is composed, transmitted or received via our computer communications systems is considered to be part of official Company records and is subject to disclosure to law enforcement or other 3rd parties. As such, employees should ensure that business information contained in internet, e-mail, and other transmissions is accurate, appropriate, ethical and lawful.
- Employees may not use Company property to create a hostile or discriminatory work environment. The Company will not tolerate unprofessional, offensive, defamatory, or abusive language in any electronic communication.
- Web sites that supply unethical or unlawful information may not be accessed using H&M's hardware and/or software and as such, storage of such information on H&M's hardware and/or software is prohibited.
- The internet, e-mail system, and/or or other Company electronic communication devices should not be used for personal use (e.g., posting chain letters, solicitations or non-business related advertisements).

- Employees must abide by our confidentiality policy with regards to distributing information to unauthorized recipients over the internet or via external networks.
- Automatic forwarding of e-mail is not permitted.

Security

- The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material onto Company property or through the internet is prohibited. Employees are also responsible for ensuring that persons sending any material over the internet have the appropriate distribution rights.
- Passwords may not be shared. The person who opened a session with his/her user ID and password is personally responsible for the transactions carried out during the open session. Unauthorized access or attempted access to confidential information or another user's session is prohibited.
- Employees may only use software on local area networks or on multiple machines in accordance with the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.
- All users who access H&M's network from home should also follow all internet and e-mail policies of H&M. Employees should contact the IT department if technical assistance is needed.
- H&M provides anti-virus software to protect its systems from abuse. Employees should not tamper with or disable the Company's anti-virus software before downloading or copying files.

Employees should be aware that regular and systematic scanning of H&M's hardware and software is performed by the company to ensure policies are respected. Employees should have **no expectation of privacy** with regard to any information transmitted through H&M's hardware or software.

Failure to abide by this policy may result in legal or disciplinary action, up to and including termination. Employees may also be held personally liable for any violations of this policy. Nothing in this policy is intended in any way to interfere with, coerce, or restrain any employee from exercising his or her rights under any State or Federal labor law, including the National Labor Relations Act.

Social Media Policy

H&M respects the right of employees to use social media as a medium of self-expression. In the interest of both the employee and the Company, please note the following:

- Employees should be aware that their social media presence should remain separate from the Company's. If an employee has a website (e.g., blog) and chooses to identify themselves as an employee, or communicates information about the Company, it should prominently post a disclaimer stating that the website contains only personal opinions and is not endorsed by and does not represent the opinion or viewpoints of the Company.
- Be respectful of the Company, its employees, customers, partners, affiliates, and others, including our competitors. Do not use personal insults, discriminatory or derogatory language, and respect the privacy of others.
- Avoid disclosing any information that is confidential or proprietary to the Company or to any third party that has disclosed information to us. Consult H&M's confidentiality policy for guidance about what constitutes confidential information.
- H&M has certain rights with respect to concepts and developments employees produce that are related to Company business. To avoid conflicts or discrepancies,

please consult a manager if there are questions about the appropriateness of publishing such concepts or developments related to the company's business on a personal website.

- Respect copyright and financial disclosure laws. Be aware that H&M may request that a person temporarily confine their website or social media commentary to topics unrelated to the Company if it believes this is necessary or advisable to ensure compliance with securities regulations or other laws.
- The use of the H&M logo, graphics, trademarks, trade names, or corporate slogans on a personal website is strictly prohibited.

Failure to abide by this policy may result in legal or disciplinary action, up to and including termination by the Company. Any questions please direct them to Human Resources.

MISCONDUCT POLICY

Although employment at H&M is "at-will" and can be terminated at any time, for any reason, the following list is intended to provide examples of conduct that is not allowed at H&M and may result in immediate termination.

Whether or not an employee who engages in impermissible conduct is subject to corrective action depends on the severity of the misconduct. Since employment is "at-will" decisions concerning the appropriate discipline of any misconduct falls within the Company's sole discretion.

Some examples of misconduct include and are not limited to:

Health and Safety

- Possession of weapons on or about Company premises.
- Acts of violence.
- Implied/actual physical or verbal abuse towards employees or customers.
- Horseplay which results in personal injury or damage to property.
- Failure to report personal injuries that occur while working.
- Violating safety rules and regulations.
- Endangering the safety of others.
- Blocking of emergency routes.
- Any unsafe storage of goods.
- Tampering with or disabling any security or safety equipment (e.g., fire alarm).
- Allowing unauthorized persons in the store (during closing hours) or any 'employee only' area without management approval.
- Allowing pets under any circumstances in the stores or any H&M working area (with the exception of service animals).
- Violating the Company's drug and alcohol policy.

Unprofessional Conduct

- Violating the Company's policies on discrimination and harassment.
- Retaliating against an employee for reporting a violation or cooperating with an investigation.
- Insubordinate behavior including refusal to perform job assignments.
- Violating the Company's non-solicitation or distribution policy.
- Gambling at work.

- Disorderly, aggressive or unprofessional behavior while on Company property or on Company sponsored business, regardless if working or not.
 - Falsification of Company documents.
 - Disclosure of confidential information or violation of the Company policy on outside employment.
 - Misuse or destruction of Company, employee, or customer property.
 - Failure to report dishonest acts or cooperate with Company investigations.
 - Taping conversations without authorize
-
- **Loss Prevention**
 - Failure to follow Loss Prevention guidelines.
 - Failure to follow employee discount policies.
 - Theft of Company, employee, or customer property.
 - Failure to follow cash register, cash handling, or banking procedures.
 - Unauthorized entry onto H&M premises.
 - Touching, searching through, or taking another employee or customer's personal property without consent.
 - Leaving the store unattended.
 - Leaving the safe and/or access points (aside from customer entrances) to the store open.
 - Allowing non-managers or non-supervisors to open or close a store without District Manager or security approval.
 - Stashing of merchandise under any circumstances.

Job Performance

- Failure to meet the Company's standards for work performance.
- Excessive absenteeism or tardiness.
- Clocking in/out another employee or knowledge of one employee clocking out another employee and not reporting the time fraud
- Closing the premises or cash points early without District Manager authorization.
- Conviction of a crime which, in the Company's judgment, may impact the employee's ability to perform his or her job function in a satisfactory manner.

Please note that the above groupings are for ease of reading and not for the purpose of establishing separate progressive discipline tracks.

Be sure that your store has both the federal and state labor posters hanging in a prominent place in the back area of the store; that is, in an area where employees tend to spend time, where the view is not blocked (by, for example, empty water cooler containers), and should be at a comfortable height so the information can be easily read. If your store does not have the posters, management should contact the Support Office. These posters should be hanging in the same general area as the "Worker's Compensation" poster.

PEER WITNESS POLICY

There are occasions when an employee may be asked to participate in a discussion with their manager, other company manager or Human Resources. In some of these discussions, an employee may request that a peer employee sit in. The scenario under which an employee may request a peer witness is when corrective action towards the employee being questioned could be reasonably anticipated.

There are other discussions where employees are expected to participate **without** the presence of a peer witness. These include general coaching discussions about performance or work routines, general information meetings and performance review meetings.

The employee may request a peer witness who is present and available at the time (with the exception of another manager or, in cases of an investigation, an employee who may also need to be questioned) the discussion is to take place. An employee may not delay the discussion in order to request an employee who is not working at that time. Furthermore, an employee can not remain past scheduled work hours or earn overtime pay to serve as a peer witness. The manager or Human Resources Representative present for the discussion may not dictate to the employee who they should select as a peer witness.

An employee may also choose **not** to have a peer witness.

The employee, during the course of the discussion, may seek clarifying information, ask questions and engage in a mutual discourse with the aim of moving the inquiry or discussion **forward**.

It is important to note that a peer witness plays a specific and clear role.

The peer witness **can**:

- Listen in to the discussion.
- Explain a question or remark to the employee should that employee seek clarification about a question or comment made during the discussion. The clarification, however, can only be made upon request by the employee.

The peer witness **cannot**:

- Take notes during the discussion.
- Interrupt the discussion to interject his/her personal opinion or interpretation of facts.
- Ask probing questions of the manager or Human Resources Representative other than to seek clarification of a question being asked or remark being made.
- Interfere in any way with the discussion.
- Coach, prod or influence the employee in answering a question or making a remark.
- Stop the discussion or ask for postponement.

The peer witness understands they are there primarily to witness the discussion. All of the information shared during the discussion is strictly confidential. If the peer witness breaches confidentiality or in any way interferes with the investigation, he/she may be subject to disciplinary action up to and including termination.

PROGRESSIVE DISCIPLINE POLICY

When it comes to dealing with employee issues, there are two forms of paperwork that need to be completed. Documentation is a reminder of an event, conversation, situation, etc. and a proof of evidence that something occurred where as a corrective action is given to employees to improve their behavior and is part of our progressive discipline policy.

Documentation

If a manager is just documenting an event or completing an investigation, he/she must make sure to **add the names of any witnesses** in the statement. Be clear with dates, times and locations. Make sure that the documentation is done immediately and the wording is neutral. Don't use words such as willfully, maliciously, purposely, etc

Documentation can be used for coaching and to establish a pattern of behavior but IS NOT considered a warning. The employee does not need to sign the documentation unless the employee is writing the documentation. Unless otherwise dictated by state law, copies of documentations are not to be given to employees. Employees should be told by their managers of the documentation being placed in their file.

Corrective Action

The reason to use a corrective action is to allow employees to correct their behavior. It is important to use corrective action so that all employees are given equal opportunity to modify and improve their working pattern.

In writing a corrective action, there are 5 core elements to include:

1. Expectation(s) not being met
2. Specific **failings** in terms of performance or behavior
3. Prior counseling/discipline described- formal and informal
4. Expectations going forward
5. Consequences of not meeting expectations

In writing a **final warning**:

- State specifically – "this is your final warning"
- Performance problems – required level or timing of improvement (e.g., "immediate," "ongoing")
- Behavior- Do not limit to the behavior which was the cause for the final warning but also include any other problems with performance or behavior of any kind (except excessive absenteeism/tardiness – that is a separate disciplinary track).

When considering corrective action, practice could take precedence over policy; this allows for consistency in application. However, H&M is allowed to change past practice if the Company gives notice in writing that a policy is being changed going forward.

When issuing a corrective action, there are some things to remember:

- **All** warnings must be dated and signed. Be specific and factual about what actually happened and what was actually said. Refer to the H&M Policy Book or Your Support Book for policy violation wording and page number.
- Always issue a warning in the presence of a second manager (preferably the Store Manager). Managers may only give corrective actions to employees they directly supervise. (i.e., Store Managers may give corrective actions to a Visual. Department Managers may only witness). **Be aware of our Peer Witness Program and honor all appropriate requests** (see the 'Peer Witness Program' section for further details).

- After issuing any corrective action keep the original in the employee's file. After each party has signed, provide the employee with a copy of the corrective action.
- Consult with the Store Manager on each warning issued.
- Do not issue a corrective action if you are unsure of level. Call your District Manager, Direct Supervisor or the appropriate HR manager.
- The manager must indicate company policy broken in the description.
- Managers should follow the order of corrective actions in most cases- verbal, written, final, termination- but should consider severity of incident which may call for the use of a more severe level of corrective action than the next step.
- Every corrective action needs signatures of manager, witness, and employee (or if employee refuses to sign, this must be indicated on form).
- Be consistent with all staff.
- There is a specific time limit for attendance issues. If there is more than 6 months between the first documentation and a possible termination, the corrective action process begins again (please see the 'Excessive Absenteeism/Tardiness' section for further details). For all other violations, please refer to the 'Sunset Provisions' section for further details.
- Excessive Absenteeism/Tardiness is a separate disciplinary track and isn't used to support other corrective actions that have or will be given to an employee. Since excessive absenteeism/tardiness is separate, an employee may be placed on two separate final warnings.
- All corrective actions should be put in the employee file and retained indefinitely. If there are HIPAA or confidentiality concerns regarding the corrective action content, then please consult with your Human Resources manager for further counsel. Medical information may not be kept in the employee's file; it must be forwarded to the Benefits Department.
- If the employee is being transferred or promoted the file MUST be reviewed. Corrective actions should be considered and the Store Manager and/or District Manager must approve the employment decision.
- If the employee was just hired, he or she should still go through the same corrective action process as someone who has been here for a year. H&M does not have a probationary period.
- A corrective action should be given within a reasonable timeframe. It should be presented to the employee within a week's time after the incident occurred. If the employee's first shift after the incident occurred is more than one week, then it should be presented as is reasonably practicable. In instances where an incident is pending an investigation, then the corrective action should be presented upon the conclusion of the investigation.
- Time and attendance are H&M's biggest performance issues. Remember just because an employee has a note from a healthcare provider does not make it an excused absence unless it is a condition covered under federal or state law (e.g. ADA/ADAAA, FMLA). Partner with your District Manager and/or Regional HR Generalist if you are unsure.
- Also, if an employee calls out within the two hour period before the shift begins, this does not mean the employee can't receive a corrective action. The 'Excessive Absenteeism/Tardiness' policy still applies and appropriate steps in the progressive discipline process should be taken.
- Different policy violations can still lead to termination. Warnings for lateness, security and dress code show a pattern of abusing H&M policies.
- When writing a corrective action, include the wording "further violation of Company policy can lead to further corrective action, up to and including termination."
- Make sure to be neutral. Do not use personal words like *intentionally*, *deliberately*, *maliciously*, *purposely*, *willfully*, etc.

SUNSET PROVISION POLICY

The concept of "sunseting" a corrective action means that employees who successfully complete the action plans noted in their corrective actions will have it "sunset" in accordance with the following guidelines (*see exception):

- Performance: 1 year after the issue date of the corrective action (verbal, written and final)
- Policy Violation: 1 year after the issue date of the corrective action (verbal, written and final)

*In the event of an egregious policy violation (e.g., sexual harassment, bullying, etc.) that leads to a final warning this violation will sunset 3 years after the issue date.

The corrective action is no longer an active document and no longer considered in determining the next step, if any, of further corrective action. It remains in the employee's file, that is, it is not purged or destroyed, but is no longer a building block for progressive discipline except in the clear case of a serial repeat offender.

These sunset timeframes are calculated on a rolling basis meaning that if an employee were put on corrective action for a second time within the applicable timeframe listed above, the timeframe would start fresh from the date of the second corrective action. All related corrective actions would remain active until such time as the employee completed a full sunset period without receiving a corrective action in that category.

H&M always reserves the right to consider an employee's work history in total and make a necessary determination regarding corrective action up to and including termination. This means that should an employee be a repeat offender of company policies (such as time and attendance), work performance standards or other work expectations with regards to conduct, H&M can consider termination immediately.

SUSPENSION POLICY

Suspension should be used for investigation purposes, not as a way to punish employees. **Never send an employee home as a way to reprimand them.** All employees can be placed on a paid or unpaid suspension. You can use suspension to investigate, get approval for termination, and to get final paycheck in applicable states.

The Regional HR or Support Office Human Resources Department should be consulted if there is a question of whether to pay the employee. If the person is not terminated or found in the wrong, the employee may need to be paid for the days they were suspended. Please contact your Regional HR before making this decision.

It is very important to make sure that we suspend employees for a short period of time. Also, please make sure to follow up with the employee and give the employee a specific date of when they will hear from H&M. We do not want employees to be suspended for long periods of time as this does not show our value of believing in people and fosters bad morale.

TERMINATION/DEMOTION POLICY

If the action taken is termination or demotion:

1. Before considering terminating an employee, see if other options are appropriate such as: more training or a transfer; FMLA eligibility (if there is a time and attendance pattern and look at previous warnings in the employee's file).
2. It is the Store Manager's decision whether or not the employee should be terminated or demoted, but the District Manager and/or Regional HR Generalist must be contacted prior to taking action. **The District Manager /Regional HR must approve all involuntary terminations except for quit and job abandonment (NCNS).**
3. In extreme cases, fax a copy of the H&M Termination form and all supporting documentation to the District Manager and/or Regional HR for review.
4. Please make sure that the termination and the termination reason has been approved by the appropriate party **BEFORE** the termination meeting occurs.
5. Issue the termination/demotion in the presence of a second manager using the H&M Termination form (for terminations) or Change of Status form (for demotions).
6. Once the termination meeting is completed please provide the employee with a copy of the termination form.
7. Process the termination in STAR after completing the termination meeting. If it is a demotion, process the status change in STAR after approval and signatures have been obtained.
 - o The Last Day Worked (LDW) should be the last day the employee reported to work, not the last day the employee was scheduled (except in cases of NCNS or Leave Exhausted).
 - For NCNS terminations the LDW should be the employee's 3rd consecutive NCNS shift. For example, if John Doe's third missed shift was Friday, January 26th, then the LDW is Friday, January 26th.
 - For unapproved leaves, the LDW should be entered as the day the manager is processing the termination (see example #1). For approved leaves, the LDW should be the leave exhausted date (see example #2).

Example #1:

James was taken off the schedule by his Store Manager pending approval of his leave claim. His last day worked was on July 1st. James was later denied by Cigna Behavioral, however, he never returned to work. The store received approval for James' termination on July 15th. When processing James termination form the LDW should be July 15th.

Example #2:

Lisa was approved for FMLA and was scheduled to return on September 1st. On September 1st she contacted Ken, her Store Manager, to inform him that she wasn't able to return to work. When processing Lisa's termination form the LDW should be September 1st.

The employee reserves the right not to sign the H&M Termination form. If this happens, simply write "Refused to sign" on the form.

In general, terminations should not occur prior to a final written warning being issued unless it is an extreme circumstance or one that includes a serious company violation (proven theft, physical violence, etc). H&M believes in our employees and wants to give them a chance to improve.

Termination Codes: It is very important to circle ONE code and ensure that it is the appropriate reason circled. The Payroll Department uses the termination code to enter into the system for rehire and unemployment purposes. Please contact a District Manager or Regional HR if you need further information or clarification on the reasons below:

TERMINATION REASON CODE	WHEN IT APPLIES	ELIGIBLE FOR REHIRE?	ELIGIBLE FOR VACATION PAYOUT?
(EE) Excessive Absenteeism	In accordance with our Excessive Absenteeism/Tardiness policy.	No	No, unless state law dictates otherwise.
(GM) Gross Misconduct	Only to be used when directed by a LP and/or HR representative.	No	No, unless state law dictates otherwise.
(S) Seasonal	For seasonal employees.	Yes	No, seasonal employees do not accrue vacation time.
(Q) Quit with No Reason	When an employee leaves the Company without fulfilling their obligation (e.g., providing 2 week written notice or failing to work scheduled shifts).	Yes	No, unless state law dictates otherwise.
(VX) I-9 Work ID Expired	When an employee's ID authorizing them to work in the U.S. has expired.	Yes	Yes-if employed for 90 days or more (unless state law dictates otherwise).
(PE) Performance Issues	When an employee has been unable to perform his/her job duties to Company standards.	No	No, unless state law dictates otherwise.
(PO) Policy Violation	When an employee has repeatedly (in most cases) violated Company policy.	No	No, unless state law dictates otherwise.
(NS) No Call/No Show	When an employee is absent from 3 consecutively scheduled work-shifts without notifying their manager of the absence, reason for the absence, or the expected date of return.	Yes	No, unless state law dictates otherwise.
(R) Resigned with Notice	When an employee in good standing (not on a final warning within 6 months of	Yes	Yes, as long as the employee fulfilled their obligation to

	the resignation) provides written notice 2 weeks in advance and works all scheduled shifts within those 2 weeks.		the Company and has been employed for 90 days or more (unless state law dictates otherwise).
(L) Layoff	When the Company eliminates a position due to business needs.	Yes	Yes-if employed for 90 days or more (unless state law dictates otherwise).
(LE) Leave Exhausted	When an employee has exhausted their leave of absence.	Yes	Yes-if employed for 90 days or more (unless state law dictates otherwise).
(D) Deceased	When an employee passes away.	N/A	Yes-if employed for 90 days or more (unless state law dictates otherwise).

Termination Meeting Guidelines

1. Complete your investigation and get approval before terminating.
2. Be sure that all managers involved in the termination agree on the basis for the decision.
3. Rehearse what you will say and prepare answers to the anticipated questions from the employee.
4. Schedule the meeting when it is the least busy. Arrange to have the meeting in a location outside of public view (in the management office for instance).
5. Be aware of our Peer Witness Program and honor all appropriate requests (see the 'Peer Witness Program' section for further details).
6. Have two Company managers present.
7. Be professional and courteous.
8. Tell the employee early in the meeting that his/her employment is being terminated.
9. Explain the employment termination decision briefly and concisely.
10. Do not argue with the employee in an effort to justify the decision. If the employee becomes belligerent, calmly advise him/her that the employment decision has been made and that this meeting is to advise him/her of that decision, not to negotiate.
11. Candor is essential. Do not be overly complimentary in an effort to placate the employee's feelings.
12. Request that the employee immediately return all Company materials that they possess. Make sure to have the employee turn in his/her name badge, staff card, keys, and any other Company property. If the items are at home, the employee needs to send or bring them back immediately as Company property not returned is considered stealing. Ask the employee to clean out his/her locker as well.
13. If the employee decides to make comments about his termination, do not interrupt him/her. Make sure to let the employee speak their mind. Take notes and pay close attention to what he/she is saying. After the meeting, both Company participants should review the notes to ensure they accurately reflect the employee's comments.

14. Do not allow the employee to roam the office or back area freely after learning of his/her discharge. Make sure the employee leaves the store premises.
15. Do not cause the employee to be physically removed from the premises unless his/her behavior mandates the need to call security.
16. Once the termination meeting is completed please provide the employee with a copy of the termination form.

Employee Voluntary Termination

- If an associate resigns voluntarily from H&M, have the associate write down that they are leaving H&M. Have them write it on a documentation form if possible. Otherwise, any written notice is fine.
- Document the resignation on an H&M Termination form, complete it and place in the employee's file. Please make sure to indicate in Section 1 the resignation details. Do not leave blank.
- Please note that the termination reason "resignation" means that the person leaves the job with a two weeks notice and works the full two weeks. This also pertains to a person who resigns on his/her vacation day. The 2 weeks starts from the day they resigned. If the employee calls out, swap shifts, takes vacation or wellness, or does not show up during the final two weeks of employment for any reason, unless legally protected, the termination does not count as a resignation. It would be considered a "quit."
- The termination reason "quit" means that the person does not give a 2 weeks notice or does not finish the full 2 weeks of work as promised. **If someone quits, they are eligible for rehire but not vacation payout unless state law applies.**
- Employees only get accrued and unused vacation paid out if they resign and are not on a final warning in the past 6 months unless state law specifies otherwise. These dates mandate the payout of vacation regardless of the termination reason.

With all management terminations, it is very important to follow up with the Payroll Department and make sure it has been processed in full.

EXHIBIT 8

1 Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
2 Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
3 Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
4 **Diversity Law Group, P.C.**
5 515 South Figueroa Street, Suite 1250
6 Los Angeles, CA 90071
7 (213) 488-6555
(213) 488-6554 facsimile

8 Attorneys for Plaintiff and the Class
9 (Additional Counsel on Next Page)

10
11 **UNITED STATES DISTRICT COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**

13 SER LAO, as an individual and on behalf
14 of all others similarly situated,

15 Plaintiffs,

16 vs.

17 H & M HENNES & MAURITZ, L.P., a
18 New York limited partnership; and DOES
1 through 50, inclusive,

19 Defendants.

Case No. 5:16-cv-333 EJD

**DECLARATION OF SER LAO IN SUPPORT
OF PLAINTIFF'S MOTION FOR CLASS
CERTIFICATION**

Date: TBD
Time: TBD
Courtroom: 4, 5th Floor
Judge: Hon. Edward J. Davila

1 William L. Marder (State Bar No. 170131)
bill@polarislawgroup.com

2 **Polaris Law Group LLP**
3 501 San Benito Street, Suite 200
Hollister, CA 95023
4 (831) 531-4214
5 (831) 634-0333 facsimile

6 Dennis S. Hyun (State Bar No. 224240)
dhyun@hyunlegal.com

7 **Hyun Legal, APC**
8 515 South Figueroa Street, Suite 1250
Los Angeles, CA 90071
9 (213) 488-6555
(213) 488-6554 facsimile

10 Attorneys for Plaintiff and the Class
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DECLARATION OF SER LAO

I, Ser Lao, declare as follows:

1. I am an individual over the age of 18. I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. I was employed as a non-exempt employee by H&M Hennes & Mauritz, L.P. ("H&M") from on or about on or about March 3, 2014, until on or about September 23, 2015. I worked at Defendant's store located in Fresno, California, County of Fresno.

3. Throughout my employment with H&M, at the end of each of my work shifts, or whenever I needed to leave the store, I was instructed by H&M's management that I had to go through a security inspection, which was to be performed after I clocked out. Similarly, during my rest breaks, although I did not clock-out, if I wanted to leave the store, I was still required to go through a security inspection, which would cut into my actual rest break time, making it shorter.

4. With respect to security inspections that take place at the end of my shift, I would clock out at the back of the store where the time clock is located, then walk to the front of the store, and wait for a manager to conduct a security inspection. We would always be inspected at the entrance/exit at front of the store. Only upon completing the inspection was I allowed to leave the store. With the exception of clocking out, the same process would take place during my rest breaks. The manager conducting the check would conduct a visual inspection to look at me to make sure that I did not have a bag, merchandise, or was wearing a coat/jacket. Whenever employees wore coats, or jackets, the supervisor/manager would check the insides and pockets of the coat and/or jacket to ensure that the associate was not hiding any stolen items. If I had a bag with me, then during the visual inspection, I was required to open my bag and allow the manager to inspect the contents of the bag.

5. Whenever there were more than one associate leaving the store at the same time, I was required to wait for the people ahead of me to complete their security checks before I could undergo my security check and leave the store. Generally, security checks took 3 to 4 minutes or more to complete from the time I clocked out until I was able to leave the store. Since I had

1 already clocked out, all of this security check time that took place at the end of my shifts was off
2 the clock.

3 6. During my employment, I elected to receive my wages via direct deposit.
4 However, when my employment ended on September 23, 2015, I received my final wages via an
5 ATM paycard. I never authorized receipt of my final wages by paycard, including signing any
6 type of authorization form. Rather, H&M automatically issued the ATM paycard to me. I
7 incurred various charges to use the ATM paycard, which resulted in me getting paid less than all
8 of my final wages.

9 7. During my employment with H&M, I have received non-discretionary
10 incentive/bonus pay, as well as overtime wages earned during the same pay period. Attached as
11 Exhibit *** to Plaintiff's Compendium of Evidence is a true and correct copy of a wage
12 statement I received during my employment with H&M that reflects the payment of the incentive
13 pay, which as I understand now includes the recalculated overtime wages due to such incentive
14 pay.

15 8. To my knowledge, there are no conflicts which exist between my interest in this
16 action and the interests of the class members that would impair my ability to serve as
17 representative of the class.

18 9. I have and continue to be willing to assist in the investigation of this matter. I
19 have reviewed various legal documents in this matter. I have also appeared for and testified at
20 my deposition, which was taken by H&M's attorneys. I will make myself available for the trial
21 of this matter to the extent requested by my attorneys. I also understand my duties and
22 responsibilities to the proposed class and will carry out those duties as necessary. In that regard,
23 I have not been promised and do not expect to receive compensation for acting as the
24 representative of the class other than my proportionate share of any recovery obtained for the
25 benefit of the class. Moreover, I have assisted my counsel in the preparation of various legal
26 documents (including this declaration). If I am appointed as representative of the Class, I will
27 continue to perform these obligations to the best of my ability.
28

1 I declare under penalty of perjury under the laws of the State of California and the United
2 States that the foregoing is true and correct.

3 Executed on June 22, 2017, at Fresno, California.

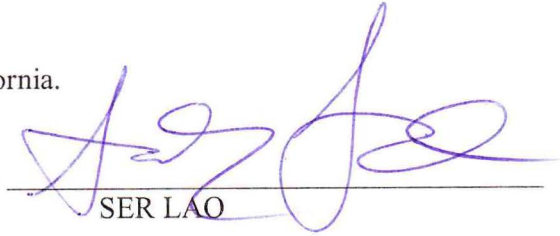
4 
5 SER LAO

EXHIBIT 9

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION OF DESHANAY HARRIS

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

DENNIS S. HYUN (STATE BAR NO. 224240)
DHYUN@HYUNLEGAL.COM
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
[\(213\) 488-6555](tel:(213)488-6555)
[\(213\) 488-6554](tel:(213)488-6554) facsimile

Attorneys for Plaintiff and the Class

I, DESHANAY HARRIS, declare as follows:

1. I am an individual over the age of 18. I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt Part-Time Sales Associate, June 2014, until October 2015, Tejon Outlet Store.

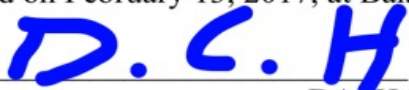
3. I had to undergo security checks every time I left the store for any reason, including at the end of my shift, and before I could take my rest and meal breaks. The security check was always off the clock, meaning that I clocked out first at the time clock inside the breakroom at the back of the store. I still had to undergo a security check even if I did not have a bag. In other words, I had to check with the manager, who would have to look at me and make sure that I did not have a bag or any merchandise. I was told by management that we would be punished if we did not undergo the security check. I worked the closing shift. I have waited more than 30 minutes to undergo a security check at the end of my shift because the manager busy performing closing duties, including paperwork. The average amount of time it took to undergo the security check was approximately 10-15 minutes.

4. When I worked at the Tejon Store, I got 10 minute rest breaks. When I left for rest breaks, I had to undergo the security check, such that the check would eat into my break and I would get less than 10 minutes.

5. When I worked at the Tejon Store, I also got 30 minute lunches. When I left for my meal breaks, I had to undergo the security check, such that I would also get less than 30 minutes for my meal break. In fact, I have waited up to 30 minutes to undergo the security check process before I could take my lunch.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on February 13, 2017, at Bakersfield, California.



DASHANAY HARRIS

EXHIBIT 10

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION OF SHAWN'NEL BROWN

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, SHAWN'NEL BROWN, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I am employed by H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt
5 Sales Associate. I worked at H&M's Galleria Tyler Riverside Store in or around September
6 2016 and at the Rancho Cucamonga Store from in or around August 2016 to in or around
7 September 2016. In or around October 2016, I moved to Baltimore, Maryland. I am currently
8 working at H&M's Baltimore Store.

9 3. When I worked for H&M in California, I had to undergo security checks every
10 time I left the Galleria and/or Rancho Cucamonga Stores. The security check was always
11 performed off the clock. I still had to undergo the security check even if I did not have a bag.
12 Specifically, I had to undergo a visual inspection by the manager, meaning that the manager had
13 to look at me to make sure I did not have any merchandise or a bag. When I was hired, I was
14 told by H&M management that I would be subject to automatic termination if I did not undergo
15 the security check. At both California stores, the only method for clocking in and out was at the
16 time clock located in the break-room. At the Galleria Store, the break-room was located at the
17 back of the store and we had to exit through the front entrance during business hours. At the
18 Rancho Cucamonga Store, the time clock was located on the 2nd floor back of the house area. I
19 had to take an elevator to get to the time clock. I would then have to proceed to the first floor
20 front entrance/exit to undergo the security check and then leave the store. I generally waited on
21 average 15 minutes to get checked out at the Galleria Store and 5-10 minutes at the Rancho
22 Cucamonga Store. Managers would often be busy and unavailable to conduct the check, so I had
23 to wait to get checked out.

24 I declare under penalty of perjury under the laws of the State of California and the United
25 States that the foregoing is true and correct.

26 Executed on January 5, 2017, at Baltimore, Maryland.

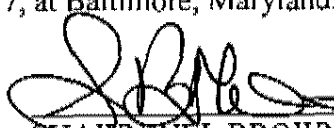
27 
28 SHAWN'NEL BROWN 1/5/17

EXHIBIT 11

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION OF WAYNE SANTOS

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, WAYNE SANTOS, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I worked for H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt
5 Associate from in or around August 2014, until in or around June 2015. I worked at H&M's
6 Fashion Valley Mall Store in San Diego California.

7 3. Throughout the entire time I was employed by H&M, I had to undergo a security
8 check whenever I exited the store, including for rest and meal breaks, and at the end of my shift.
9 The security check was always performed after I clocked out. Even if I did not have a bag, I still
10 had to undergo a visual inspection, which included allowing the manager to physically see me
11 and look at my hands to make sure that I did not have a bag, or any merchandise. In other words,
12 the security check was done while I was off-the-clock. On average, the security check process
13 took 5-10 minutes, with the longest security checks taking 15 minutes.

14 4. The Fashion Valley Mall Store was two floors, with the main exit located on the
15 first floor. The time clock was located in the break-room on the second floor back of house area.
16 There were no exits on the second floor. The time clock was the only method for employees to
17 clock in and out. The security check was always performed on the first floor and generally at the
18 main exit, except for closing shifts, which were performed at the emergency exit on the first
19 floor.

20 5. When I worked at the Fashion Valley Store, I got ten-minute rest breaks. Because
21 I had to undergo the security check before leaving the Store for a rest break, the security checks
22 would cut into my rest break. As a result, I got less than 10 minutes for rest breaks.

23 6. I also got 30-minute or 1-hour meal breaks. Whenever I left the Store for the 30-
24 minute meal breaks, I had to undergo the security check, such that I received less than 30
25 minutes for my meal breaks.

26 7. During my employment with H&M, I was paid my wages via direct deposit.
27 However, when I left H&M, I was paid my final wages via pay card. I do not recall ever signing
28 an authorization to receive my final wages via pay card. I did not want my final wages to be

1 paid via pay card. The pay card had various transaction fees, which I incurred when using the
2 card.

3 I declare under penalty of perjury under the laws of the State of California and the United
4 States that the foregoing is true and correct.

5 Executed on January 30, 2017, at San Diego, California.

6
7 *Wayne Santos*
8 WAYNE SANTOS

EXHIBIT 12

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION OF IAN MITCHINSON

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, IAN MITCHINSON, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt
5 Co-Manager, or "Department Manager," at H&M's Modesto Store from in or around April 2014
6 to in or around January 2015.

7 3. All employees had to undergo a security check every time they left the store for
8 any reason, including for end of shifts, and meal and rest breaks. For security checks, I was
9 instructed by management to conduct a visual inspection of all employees to make sure that they
10 did not have a bag and/or coat/jacket. I was told to pat-down coats and jackets. If an employee
11 had a bag, I was instructed to open the bag and look inside. If there was merchandise, I would
12 have to check the merchandise against a valid receipt. Even if an employee did not have a bag or
13 wear a coat/jacket, she/he was required to wait for a manager at the front entrance to be inspected
14 visually to ensure that the employee did not have any merchandise, or a bag, and/or was not
15 wearing a coat/jacket. I was told by H&M management that if an employee leaves the building
16 without undergoing a security-check, it could lead to an immediate final warning and ultimately,
17 termination of employment. Security checks were always performed off-the-clock. The
18 Modesto Store's time-clock was at the back of the house at the back of the store in the break-
19 room. Employees would clock out and then wait at the front entrance to undergo the security
20 check before exiting the store. These security checks can have employees waiting sometimes for
21 up to even 20 minutes before they can leave the store, again, while they are already off-the-
22 clock. I know first-hand, as I was one of the team members allowed to give these security-
23 checks, since I was a manager, and there were many times in which I was even instructed by the
24 top manager in my store if to wait until after a meeting, conference call, telephone call, helping
25 customers, etc. was finished before going over to the front entrance to administer these unfair
26 security-checks on off-the-clock employees, then finally allowing them to leave the premises.
27 On average, employees were required to wait about 10-15 minutes to undergo a security check.
28

1 4. The rest breaks at the Modesto Store were 10 minutes. Many employees
2 complained to me that, because they were required to undergo security checks before taking their
3 rest breaks, they ended up getting less than 10 minutes. A lot of employees complained to me
4 that they were actually getting 4-5 minute rest breaks. Employees at the Modesto Store who
5 worked 7 hours or less would get a 30-minute meal break. As such, whenever these employees
6 left the store for meal breaks, they would get less than 30 minutes due to having to undergo the
7 security check. Employees also complained about getting less than 30 minutes for meal breaks
8 because of the security checks.

9 5. As a manager, I had to issue paycards to terminated employees. We did not
10 obtain employee consent to pay final wages via the paycards, as they were automatically issued
11 to terminated employees. We did not provide a wage statement with the paycard to terminated
12 employees. We just told the employee the total amount that was loaded on the paycard.

13 I declare under penalty of perjury under the laws of the State of California and the United
14 States that the foregoing is true and correct.

15 Executed on January 6, 2017, at Fresno, California.

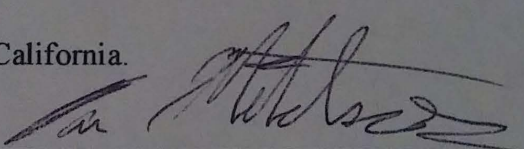
16  01/06/2017
17 _____
18 IAN MITCHINSON
19
20
21
22
23
24
25
26
27
28

EXHIBIT 13

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,

vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION OF MALIK RICHARDSON

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, MALIK RICHARDSON, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt
5 Sales Associate. I worked for H&M from in or around December 2015, until in or around June
6 2016. I worked at the Americana Store in Glendale, California.

7 3. We always had to undergo security checks after clocking out. I was told that we
8 could be fired if we did not undergo the security check. The Americana Store was two stories.
9 The time clock was located in the back of the house/break-room on the first floor. I would clock
10 out first and then proceed to find the manager, who would then walk employees out and conduct
11 the security check at the front door exit. I have waited up to 25 minutes after clocking out for a
12 manager to come and conduct a security check. Oftentimes, managers would be busy and unable
13 to perform the security check in a timely manner. My coworkers had to wait with me. On
14 average, the security check process took about 15 minutes. I even missed my public
15 transportation because I had to wait for the security check. This caused me to wait up to an hour
16 for the next bus to arrive.

17 I declare under penalty of perjury under the laws of the State of California and the United
18 States that the foregoing is true and correct.

19
20 Executed on January 27, 2017, at Los Angeles, California.

21
22 MALIK RICHARDSON
23
24
25
26
27
28

EXHIBIT 14

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

**DECLARATION OF CHARLOTTE
O'CONNOR**

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, CHARLOTTE O'CONNOR, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a Sales Advisor
5 from in or around November 2010, to in or around February 2012, at the Powell Street Store in
6 San Francisco, CA. In February 2012, I then transferred to the H&M Store in Caesar's Palace
7 until in or around 2013. I then transferred to the Henderson Nevada H&M Store in 2013, until
8 my resignation in or around June 2016.

9 3. At the San Francisco Store, I clocked in and out in the breakroom in the basement
10 of the Store. The only way of accessing the basement was one elevator, which was shared with
11 customers. I had to wait for the elevator on average of one to two minutes. Any time I left the
12 Store at the end of my shift, or for meal breaks, I had to undergo a security check, which was
13 always done off the clock. Moreover, even if I did not have a bag, I had to wave to let the person
14 conducting the security check know that I was leaving, get an "ok" in response, and then allowed
15 to physically leave the store. In other words, after clocking out, I had to go to the elevator, wait
16 for it, and then go to the front door and undergo a security check, or get approval to leave if I did
17 not have a bag. For closing shifts, the security checks were done in the alley outside the Store's
18 back door, but those were also always done after we had clocked out (i.e., off the clock). This
19 entire process took on average, 3-5 minutes. During holidays and busier times, the security
20 checks for both closing and non-closing shifts could take up to 8 minutes because of the large
21 volume of customers using the elevator, or because more employees were leaving at the same
22 time.

23 4. I also had to undergo security checks whenever I left the store for rest breaks.
24 During my employment for H&M in California, I generally worked 4, 6 and 8 hour shifts. When
25 I worked 4 hour shifts, I got 1 10-minute rest breaks. When I worked 6 hour shifts, I got 1 10-
26 minute rest break and 1 30-minute meal break. When I worked 8 hour shifts, I got 1 10-minute
27 rest break and a 1 hour meal break. Because I had to undergo the security check before leaving
28 the store for my breaks, the security check time would cut into my breaks, such that I would get

1 less than 10 minutes for rest breaks and less than 30 minutes for meal breaks for those shifts that
2 I was only permitted to take a 30-minute meal break.

3 I declare under penalty of perjury under the laws of the State of California and the United
4 States that the foregoing is true and correct.

5
6 Executed on January 5, 2017, at Henderson, Nevada.

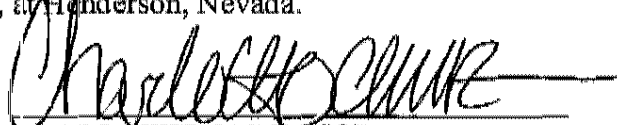
7 
8 CHARLOTTE O'CONNOR

EXHIBIT 15

1 Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
2 Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
3 Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
4 **DIVERSITY LAW GROUP, P.C.**
5 515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
6 (213) 488-6555
(213) 488-6554 facsimile

7 Attorneys for Plaintiff and the Class
8 (Additional Counsel on Next Page)

9
10 **UNITED STATES DISTRICT COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 SER LAO, as an individual and on behalf
13 of all others similarly situated,

14 Plaintiffs,

15 vs.

16 H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
17 1 through 50, inclusive,

18 Defendants.
19
20
21
22
23
24
25
26
27
28

Case No. 5:16-cv-333 EJD

DECLARATION OF LILY LLAGAS

1 WILLIAM L. MARDER, ESQ. (CBN 170131)
2 **Polaris Law Group LLP**
3 501 San Benito Street, Suite 200
4 Hollister, CA 95023
5 Tel: (831) 531-4214
6 Fax: (831) 634-0333
7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)
9 dhyun@hyunlegal.com
10 **HYUN LEGAL, APC**
11 515 S. Figueroa St., Suite 1250
12 Los Angeles, CA 90071
13 (213) 488-6555
14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class
16
17
18
19
20
21
22
23
24
25
26
27
28

1 I, LILY LLAGAS, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a non-exempt
5 Department Manager. I worked for H&M from in or around July 3, 2016, until on or about
6 December 6, 2016, at H&M's San Luis Obispo Store.

7 3. We always had to undergo security checks after clocking out. I was told that we
8 had to undergo the security check and that if we did not, we could be disciplined and/or
9 terminated. The time clock was located in the breakroom/back of the house on the 2nd floor. The
10 Store was 2 stories. For security checks, we had to figure out which manager was on duty to
11 perform the security check. We had to find the manager and ask him/her to conduct the security
12 check. We would have to proceed to the exit on the floor that the manager was on. Managers
13 would not always be available because they would be doing things like helping customers, or in
14 the storeroom. If a manager was ringing up a customer, we had to wait until the manager was
15 done before he/she could perform the security check. If I did not have a bag, I still had to
16 undergo visual inspection. I had to find the manager and wave to him/her so that they could
17 make sure that I did not have a bag.

18 I declare under penalty of perjury under the laws of the State of California and the United
19 States that the foregoing is true and correct.

20
21 Executed on December 27, 2016, at Santa Barbara, California.

22
23 
24 LILY LLAGAS
25
26
27
28

EXHIBIT 16

1 Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
2 Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
3 Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
4 **DIVERSITY LAW GROUP, P.C.**
5 515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
6 (213) 488-6555
(213) 488-6554 facsimile

7 Attorneys for Plaintiff and the Class
8 (Additional Counsel on Next Page)

9
10
11 **UNITED STATES DISTRICT COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**

13 SER LAO, as an individual and on behalf
14 of all others similarly situated,

15 Plaintiffs,

16 vs.

17 H & M HENNES & MAURITZ, L.P., a
18 New York limited partnership; and DOES
19 1 through 50, inclusive,

20 Defendants.

Case No. 5:16-cv-333 EJD

**DECLARATION OF ALEXANDER
MARTINEZ**

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, ALEXANDER MARTINEZ, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. ("H&M") as a Full-Time
5 Department Responsible. I worked for H&M from in or around January 2013, until on or about
6 November 7, 2016. I started at Topanga Canyon Mall and transferred to San Diego Fashion
7 Valley Store in or around 2014.

8 3. At both the Topanga and San Diego Stores, I would have to wait and undergo a
9 visual inspection even if I did not have a bag. I was told that if I didn't undergo security check, I
10 could be fired. My coworkers also knew that they could be fired for not undergoing security
11 check. I had to undergo a security check every time I left the Stores for any reason, including for
12 rest and meal breaks.

13 4. The Topanga Canyon Mall Store was two stories. The time clock was located in
14 the breakroom/back of house located on the second story. I would clock out first and then
15 proceed to the exit and wait. To undergo the security check, I would have to ask a manager for a
16 walk-out," or a process by which the manager meets me at the exit. Depending on what the
17 manager was doing, such as working in the back of the store, or helping a customer, they would
18 take longer to get to the exit to conduct the inspection. I used public transportation and I would
19 sit there for 10-15 minutes for the manager and because of the wait time, I missed my bus. I
20 often would have to track down the manager, or just stand there and wait.

21 5. The San Diego Fashion Valley also had its time clock in the breakroom/back of
22 the house. Although the San Diego Store's sales floor is located on one story, the
23 breakroom/back of the house was located on a second story accessible only to employees. We
24 were not permitted to use the elevator to access the breakroom unless we were carrying
25 merchandise. We had to walk approximately three flights of stairs to get up and down to the
26 breakroom/time clock area. I would clock out and then have to walk to the exit. It would take 5-
27 10 minutes because the back of the house was divided into three different rooms. The exit from
28 the time clock was about 5-10 minute walk because you had to clock out, gather your belongings

1 from your locker and then walk back down the stairs to the first floor. The exit was at the front
2 of the store on the first floor. The entire check-out process would take 10-15 minutes. One time,
3 I spent 20 minutes waiting to undergo a security check because the managers were in a meeting.

4 6. At both the Topanga and San Diego Stores, my 10-minute rest breaks were
5 regularly shortened to be less than 10 minutes because of the security check. I received 2 10-
6 minute rest breaks when I worked 8-hour shifts.

7 7. I received my final pay via Visa Net Card. I never authorized receiving my pay
8 through a Visa Net Card. Rather, the Card was imposed on me and I was forced to use it. In fact,
9 when I was terminated on November 7, 2016, I asked for my final paycheck. The manager told
10 me that I would receive my final pay via Visa Net Card in 48 hours after my termination. I had
11 fees imposed on me every time I swiped (about 25 cents per use) and I believe that there are
12 monthly fees.

13 I declare under penalty of perjury under the laws of the State of California and the United
14 States that the foregoing is true and correct.

15
16 Executed on December 25, 2016, at San Diego, California.


17
18 
19 ALEXANDER MARTINEZ
20
21
22
23
24
25
26
27
28

EXHIBIT 17

Larry W. Lee (State Bar No. 228175)
lwlee@diversitylaw.com
Nicholas Rosenthal (State Bar No. 268297)
nrosenthal@diversitylaw.com
Kristen M. Agnew (State Bar No. 247656)
kagnew@diversitylaw.com
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
(Additional Counsel on Next Page)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SER LAO, as an individual and on behalf
of all others similarly situated,

Plaintiffs,
vs.

H & M HENNES & MAURITZ, L.P., a
New York limited partnership; and DOES
1 through 50, inclusive,

Defendants.

Case No. 5:16-cv-333 EJD

DECLARATION DUARTE SOUSA

1 WILLIAM L. MARDER, ESQ. (CBN 170131)

2 **Polaris Law Group LLP**

3 501 San Benito Street, Suite 200

4 Hollister, CA 95023

5 Tel: (831) 531-4214

6 Fax: (831) 634-0333

7 Email: bill@polarislawgroup.com

8 Dennis S. Hyun (State Bar No. 224240)

9 dhyun@hyunlegal.com

10 **HYUN LEGAL, APC**

11 515 S. Figueroa St., Suite 1250

12 Los Angeles, CA 90071

13 (213) 488-6555

14 (213) 488-6554 facsimile

15 Attorneys for Plaintiff and the Class

1 I, Duarte Sousa, declare as follows:

2 1. I am an individual over the age of 18. I have personal knowledge of the facts set
3 forth below and if called to testify I could and would do so competently.

4 2. I was employed by H & M Hennes & Mauritz, L.P. (“H&M”) from approximately
5 August 2010 until November 2015. When I joined H&M in August 2010, I came in as a Sales
6 Advisor. I earned a promotion to Visual Merchandiser in or around 2013 or 2014. During my
7 employment, I worked at several H&M California stores, including Modesto, Fashion Valley,
8 Chula Vista and Stockton. In each of these stores, I was required to undergo a mandatory
9 security check (also known as a bag check) before exiting— whether for my 10-minute break,
10 lunch or at the end of my shift.

11 3. The security check procedure was the same in each of the four H&M stores where
12 I worked. The security check was always done after I had clocked out or during my 10-minute
13 break. H&M did not pay me for these mandatory inspections. Nor did a manager ever offer to
14 compensate me for this time.

15 4. As mentioned above, I was subject to security checks for meal breaks and at the
16 end of my shift. The procedure for these checks was identical. The time clock was located in the
17 breakroom in the rear section of the store. After I clocked out (either for lunch or at the end of
18 my shift), I would have to hunt down a manager or department supervisor to perform the security
19 check. It was not uncommon for it to take between two to five minutes just to find an available
20 manager or supervisor.

21 5. There are several factors that contributed to the delay. First, the H&M stores
22 where I worked were large, with several departments. As a result, I would have to walk around to
23 find a manager or supervisor. Second, during the week, there was usually only one manager or
24 supervisor on-duty when it was time for me to break or go home. Managers and supervisors
25 worked staggered shifts, where one would open in the morning and the other would come in
26 around mid-shift and close the shift. It was rare to have both a manager and supervisor on duty at
27 the same time. Third, managers and supervisors were often occupied with other tasks when I
28 needed to leave the store. For example, a manager must be present during the daily cash drops

1 because only a manager can access the safe. Thus, if I wanted to exit during a cash drop, I had to
2 wait for the manager to complete it and close the safe. Similarly, only a manager can access the
3 safe to make change for an associate working on the register. Fourth, managers and supervisors
4 were also responsible for providing coverage on the sales floor, and were often occupied helping
5 customers or processing returns.

6 6. I was also subject to security checks when I took my ten-minute break. For the
7 ten-minute break, I experienced similar delays in finding a manager. Because I had to undergo
8 the security check before leaving the Store for my breaks, the security check time would cut into
9 my breaks, such that I would get less than 10 minutes for rest breaks (and less than 30 minutes
10 for meal breaks for those shifts that I was only permitted to take a 30-minute meal break).

11 7. Even though my 10-minute breaks and lunches were frequently delayed as a result
12 of the mandatory bag checks, I was not allowed to extend them to recoup the time. If I returned
13 from a break—even one minute late—it counted as an incident. Although my managers had the
14 ability to adjust my time to reflect the delay caused by the security check, they never did so. I
15 know that managers had the flexibility to adjust time because they adjusted my time when they
16 arrived to open the store late.

17 8. Like most employees in the Store, I typically carried a bag with me to work.
18 However, even if I was not carrying a bag, I was still subject to the security check protocol. I had
19 to locate a manager or supervisor and wait for his or her “okay” to leave. Only then, was I
20 allowed to physically leave the premises.

21 9. In November 2015, I was suspended and ultimately terminated as a result of being
22 tardy on a few occasions. Most of my tardies, however, happened because I clocked in from
23 lunch one or two minutes late. My termination is unfair because I was frequently delayed in
24 taking my breaks and leaving at the end of the day, but was not compensated for this time.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

DocuSigned by:
Duarte Sousa
DUARTE SOUSA 08A1D29D45FC47B...